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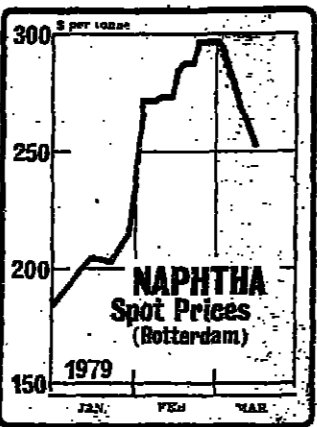
BRC 4 BARS DESIGN FABRIC WELDMESH

NEWS SUMMARY

GENERAL Soldier killed by IRA mortar. BUSINESS Equities quiet; Naphtha falls.

● EQUITIES traded quietly amid political uncertainty and revived doubts about the Chancellor's intentions regarding Government spending cuts in the Budget.

● WALL STREET was 9.01 up at \$61.83 just before the close. ● NAPHTHA price has started falling on the Rotterdam spot market.



● BRITISH SHIPBUILDERS' losses for the financial year to March 31 will be at least £47m, £2m more than the target set by the Industry Secretary last year.

● RENAULT, the French State-owned motor company, is taking a 20 per cent stake in Mack, the second largest heavy truck producer in the U.S.

● NORWEGIAN GOVERNMENT has appointed a committee to study reasons for the steep rise in offshore development costs in Norway's sector of the North Sea.

● MICROELECTRONICS revolution is likely to create more than 1m jobs in Western Europe and the U.S. during the next decade, say U.S. consultants.

● ANNUAL REPORT and accounts of Philips, the Dutch electronics multi-national, is the most useful and informative document of its kind issued by a major European company last year.

● FOOD AND AGRICULTURE Organisation launched a five-point plan to improve world food security following the collapse of negotiations in Geneva for a world wheat agreement.

● BRITISH STEEL laid off 750 production workers from its Ravenscroft works at Motherwell after unofficial strikers refused an appeal from their union to return to work.

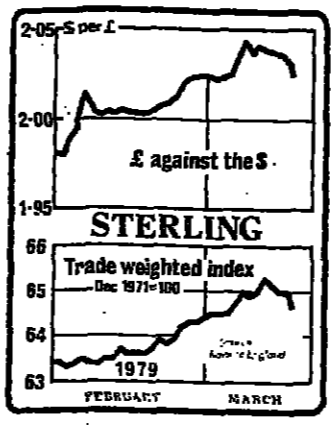
● MORGAN GRENPELL Holdings, the unquoted banking and finance group, reports profits down from the record £5.18m to £3.69m after tax and transfer to inner reserves by certain banking companies.

Table with columns: RISES, FALLS, and various stock prices.

Sharp drop in value of sterling brings relief to Whitehall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Sterling fell sharply against most other major currencies yesterday. This follows smaller declines at the end of last week and has partially eased some of the previous official concern about a growing conflict between the strength of the pound and other economic policy objectives.



Congress backing helps Carter economic talks

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER and his top aides yesterday retreated to the seclusion of Camp David for a special meeting to tackle the acute problem of energy conservation and inflation.

Healey threat to EMS subsidies

By Guy de Jonquieres, Common Market Correspondent in Brussels

BRITAIN yesterday threatened to block the interest rate subsidies promised to Ireland and Italy when they joined the European Monetary System unless it was guaranteed similar benefits if it decided to join.

Resources

Mr. Healey told his colleagues that the cost to Britain of net resource transfers resulting from EEC membership was equal to about 1 per cent of its gross domestic product.

Include

While the UK neither requested nor secured any specific concession on this score yesterday, it was agreed that a working party of senior EEC and national officials would be set up to study ways of increasing convergence between national economies.



THE ULSTER CONNECTION: (left to right) Mr. Neave, Mr. Fitt, Mr. Powell and Mr. West.

Ulster key to Labour's fate

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER is to consult the Cabinet on Thursday before making his devolution statement to the Commons in the afternoon, following further evidence yesterday of the Government's precarious voting position.

A Downing Street meeting of a group of senior Ministers to draft the devolution statement, on which the Government's future could depend, decided to delay announcing tactics by a day largely for Parliamentary business reasons.

The present intention of Mr. Gerry Fitt, Social, Democratic and Labour Party MP for Belfast West, and his Northern Ireland colleague, Mr. Frank McGuire, Independent Republican MP for Fermanagh, to abstain rather than support the Government would make Mr. Callaghan more dependent than ever on the backing of the Ulster Unionist MPs.

Statement

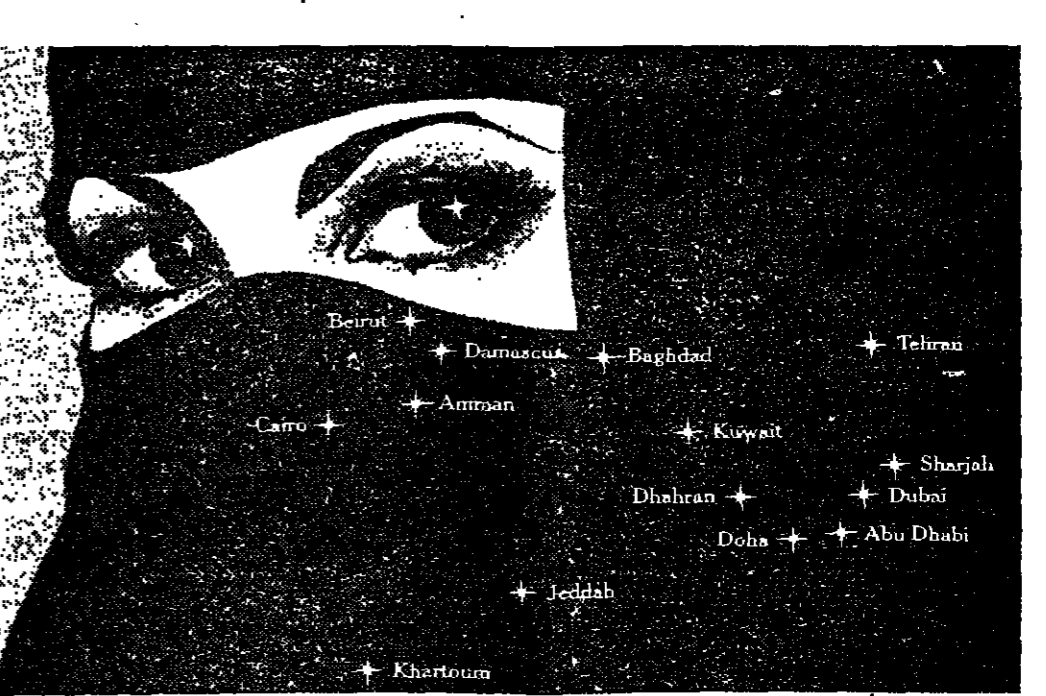
The talks with Mr. Neave, also attended by Lord Thorneycroft, chairman of the Conservative Party, and Mr. James Molyneux, MP for Antrim South, who is leader of the Ulster Unionists at Westminster, did not involve a discussion of voting intentions should there be a vote of no-confidence in the next fortnight.

Rockwell may bid for Wilmot

BY JOHN MOORE

ROCKWELL INTERNATIONAL, the U.S. aerospace, electronics and engineering group, is prepared to offer nearly £20m for Wilmot, Bredend's UK engineering group with large interests in motor component manufacturing.

Regardez l'Est



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Table of Contents listing various sections and their page numbers.

EUROPEAN NEWS

Left makes limited gains in French local polls

BY ROBERT MAUTHNER IN PARIS

THE RESULT of the first round of the French cantonal elections indicates a much smaller swing against the Government's coalition parties than could have been expected in the present uneasy industrial and economic climate. The vote has been widely killed as the first real test of the Government's popularity since the March, 1978, general election, though the present elections are only for local representatives. The cantons are an electoral constituency for the sole purpose of choosing departmental councillors roughly equivalent to county councillors in the U.K. Councillors are elected for six years but only half the seats are at stake in the present elections, which are held at three-yearly intervals. On the basis of the results available so far—the second and final round of the election will not be held until next Sunday—both the coalition and left-wing opposition parties have some grounds for satisfaction. The relative strength of the parties remains similar to that after the first ballot in 1976. But the Socialists and Communists can claim that the last cantonal election marked the high point of their fortunes, before the Union of the Left had been torn apart by its internal quarrels. To have achieved the same result as in 1976 after their general election setback last year, indicates that left-wing voters have not been alienated

permanently as some Socialist and Communist officials feared. As in 1976, the combined Socialist, Communist and Left-wing Radical score in the first round totalled more than 51 per cent of votes cast, compared with only 43.5 per cent for the Government parties. The Socialists, with 26.9 per cent of total votes cast—marginally more than three years ago—did particularly well, and again emerged from the first round as the biggest single party, while the Communists fell back slightly to 22.4 per cent. On the Government side, the UDF, President Giscard d'Estaing's main supporters, established a big initial lead over their tetchy partners, the Gaullist RPR. That UDF, which did not exist as a political group in

1976, picked up more than 21 per cent of the vote, against the Gaullists' 12 per cent. But even the latter improved their score by nearly 2 percentage points compared with 1976. The Government has been further comforted by the fact that six out of seven Ministers who ran in the election performed well, despite the widespread criticism of Prime Minister Raymond Barre's economic and industry policies. Three Ministers were elected outright in the first ballot, including M. René Monory, the Economics Minister, and three others are in a strong position for the run-off. On the basis of the first-round results, therefore, it can hardly be claimed that the Government has been censured by the electorate, but no final judgment is possible until next Sunday.

Trade remains in balance

BY DAVID WHITE IN PARIS

FRANCE KEPT its foreign trade account in fine balance last month, despite a sharp rise in its imported energy costs. Adjusted figures showed a tiny deficit of FFrs 9m (£1.09m) after a barely larger surplus of FFrs 51m in January. The crude figure showed a surplus of FFrs 46m compared with a FFrs 1.9bn gap in January. The permanent shortfall on energy widened by 20 per cent

to FFrs 6.4bn, reflecting bigger oil deliveries and the first effects of higher OPEC prices. Offsetting this were a record surplus of FFrs 1.7bn in capital goods, based on an export figure of FFrs 7.2bn, and a 12 per cent rise in the surplus for motor vehicles which reached FFrs 2.3bn. France also improved its advantage in food trade, with a surplus of FFrs 331m, double the January figure.

Turkish loan 'enmeshed in politics'

By Metin Munir in Ankara

TURKEY is in the strange position of seeking clarification of a loan agreement which it has already signed. The loan in question is for \$125m and was syndicated by Wells Fargo in January. It has since become, however, the subject of intense political controversy concerning the way that export stocks of cotton and hazel nuts are to be pledged as collateral. The agreement was drawn up by the Ministry of Finance under Mr. Ziya Muezzinoglu, but was promptly leaked to the Press. Mr. Fevman Kopraluler, Minister of Commerce, then stopped implementation of the agreement, ordering that it should be reviewed. The Istanbul representative of Wells Fargo has now been invited to Ankara to explain certain provisions of the agreement. Bankers say that the syndicate of 21 banks involved in the loan will not relinquish the collateral clause and will only agree to cosmetic changes in the agreement. Already the incident has had adverse effects on Turkey's overall relationship with the international banking community. The review of an agreement which was supposed to be signed and sealed has given rise to fears that other deals too may become enmeshed in politics. Our Foreign staff add: Mr. Ecevit yesterday postponed until today a news conference at which he had been due to announce further details of his latest programme to stabilise the Turkish economy. This programme involved major price increases in a number of goods and services produced by the state. On Friday, petrol prices were increased by 90 per cent. Last week, the Prime Minister had discussed his plans with representatives of employers and workers. Reportedly, he has since been involved in disputes within his Cabinet. All indications are that he is maintaining his refusal to devalue the Turkish lira as the International Monetary Fund and Turkey's would-be creditors insist.

ANDREOTTI READY TO PRESENT HIS CABINET

Odds shorten for June election

BY RUPERT CORNWELL IN ROME

SIG. GIULIO ANDREOTTI, the Italian Prime Minister-designate, is due today to present to President Sandro Pertini the list of Ministers in his new Government, composed of his own Christian Democrats, the Republicans, and the Social Democrat Party. However it looks almost certain that the primary function of what will be his own fifth, and the country's 41st, Administration since 1943 will be to prepare a general election that looks likely to be held concurrently with direct elections to the European Parliament in June. Final hopes of averting an untimely end to the current Parliament two years before schedule depend on a last round of talks this morning between the Christian Democrats and the Socialists (PSI). The latter's abstention, at least, would be required for Sig. Andreotti to survive a vote of confidence. However, every sign is that the Socialists will say no. Sig. Bettino Craxi, the PSI secretary,



Sig. Bettino Craxi

made clear at a rally in Milan at the week-end that his party's 57 parliamentary votes would

only be used to help a "stable and authoritative" government and not one "in tatters." The new Administration will mark the end of the period of Christian Democrat minority rule since the inconclusive June, 1976, general election. Instead, both Social Democrats and Republicans are expected to receive three or four Ministries apiece. A period of utter confusion appears to be drawing to a close during which the parties have been trying to avoid being pinned with the blame for precipitating an election, while frantically manoeuvring to secure the date most convenient to them. However, there remains a chance that calculations could yet be thrown out; a tiny possibility exists, on paper at least, that Sig. Andreotti could squeak through a parliamentary vote with the unwanted support of certain right-wing parties. Most observers now believe that the Prime Minister will

present his government to Parliament either just before or just after the Communist Party congress here. This runs from March 30 to April 4, during which period sittings are suspended. If he is defeated, the formal dissolution would come comfortably within the 45-70 day period allotted for an election campaign, so that the polls could be held together on the weekend of June 10. This would probably disappoint the Communists, who had been hoping for a vote sometime in May. But it would be a victory of sorts for Sig. Craxi, who all along has been seeking to avoid a general election before the European poll, at which the PSI hopes to do well. Not least of the arguments for holding them together is that of the extra burden on Italy's chronically indebted state finances. The overall cost of an election campaign has been put at £200bn (£115m).

Dutch index of industrial orders falls

THE DUTCH index of industrial orders in hand fell 1 per cent to 98 (base January 1978), in February from 99 in January and 2 per cent from 100 in February last year, according to the Central Statistics Office. Reuter reports from The Hague. Its latest survey of industry showed a slight increase in industrial activity in February, with a further increase expected for the coming three months.

New Lisbon daily

A new tabloid newspaper Correio da Manhã (Morning Post) appeared on the streets yesterday, bringing the number of Lisbon dailies to four. Reuter reports.

Spanish congress

Spain's newly-elected Congress, the main legislative chamber of Parliament, will hold its first meeting on Friday. Reuter reports from Madrid.

Portuguese oil executive to lead EEC negotiations

BY JIMMY BURNS IN LISBON

SR. PEDRO PIRES MIRANDA, a director of Petrolgal, the nationalised oil company, has been appointed the new president of the Portuguese Commission for European Integration, which will lead Portugal's crucial negotiations on EEC membership due to resume next month. The appointment of Sr. Miranda, formerly the Minister for Commerce and Tourism, under the short-lived Government of Sr. Alfredo Nobre de Costa, will come as a relief to EEC officials, who have shown increasing concern at the sluggish approach to the problem of accession demonstrated in recent weeks by Portugal's non-party administration. Portugal's chief negotiating body on EEC matters has been in virtual disarray ever since Sr. Vitor Constancio resigned as President last February. Dr. Constancio's replacement, however, still leaves unresolved the issue of the long delayed restructuring of the Commission itself which is criticised as

Army officers in Athens bomb trial

ATHENS—Ten alleged members of an ultra-Rightist terrorist group, including two middle-ranking army officers and a senior police officer, went on trial yesterday charged with responsibility for scores of minor bomb explosions in Athens designed to destabilise the democratic regime. After initial proceedings, the court ruled that the hearing be postponed until May 7 after the ten unanimously appealed that two alleged ringleaders arrested over the weekend be tried with them. FINANCIAL TIMES published daily except Sundays and holidays. U.S. subscription rate \$35.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

Squalls ahead in sea-law talks

GENEVA—The United Nations Law of the Sea conference which reopened for a six-week session yesterday, is likely to head into squalls from the start. The session was called to conclude several years of informal negotiations on a 340-article treaty so that the talks involving about 160 nations could enter their final phase. But industrial states and developing countries seem set for a stormy confrontation over deep-sea mining. Third-world nations have warned that the issue could scuttle the conference.

The U.S. has announced plans for unilateral legislation, designed to give some security to companies planning to develop technology for mining minerals on the ocean floors. Developing countries—which want the proposed UN treaty to govern such activities—say other industrial states are planning to follow suit, among them West Germany. Sea-bed mining is expected to be one of the first problems discussed during this session. It is one of seven "hard-core" issues delegates have agreed they must settle before a treaty

can be made final. The negotiating text before the delegates provides for an international sea-bed Authority to control all mining activities on behalf of mankind as a whole. Mr. Elliott Richardson, leader of the U.S. delegation, has argued that the U.S. legislation would give companies some protection until the treaty came into force. Commercial mining of the sea bed for manganese, copper, cobalt and nickel ores is not expected to start before 1985. Reuter

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Norway investigates causes of rise in offshore costs

BY FAY GJESTER IN OSLO

THE NORWEGIAN Government has appointed a three-man committee to study the reasons for the steep rise in offshore development costs in Norway's sector of the North Sea...

The Norwegian Oil Minister, Dr. Bjartmar Gjerd, decided to order the study following strong criticism on the Statoil field...

The chairman of the fact-finding group is Dr. Johannes Moe, of the Norwegian Technical University in Trondheim...

Norway's Ekofisk field. The other members are the State Labour Arbitrator, Mr. Konrad Knutsen, and Mr. Ingvald Haeg...

The committee will be able to hire foreign and Norwegian consultants to assist its work...

Meanwhile, a spokesman for Norwegian Contractors, the group which is building the concrete base for the second Statoil platform...

Irish unions lead PAYE tax protest march

BY STEWART DALBY IN DUBLIN

OME 90,000 people are expected to demonstrate in Dublin today in one of the largest mass demonstrations ever seen in the Republic of Ireland...

Led by trade union officials, including some top members of the Irish Congress of Trade Unions (ICTU), the protest is against what is considered to be high levels of PAYE income tax...

The march, which follows one attended by 50,000 PAYE workers and their families nine days ago, was sparked off when the Government rescinded a 1 per cent levy...

The 2 per cent levy, which was introduced in the February budget, was a means of increasing the contribution from farmers...

The levy was expected to bring in £16m this year. This considered inadequate by union officials...

The Government agreed to rescind the levy in return for an agreement among the main farming organisations that they would come up with a fair system of taxation by May 1...

The lifting of the levy has led to a PAYE revolt. Although so far this has meant only marches, some leading ICTU officials are holding meetings...

The Government is known to be very concerned about the demonstration today. It feels it is vital to hold down wage increases in the industrial and service sectors...

Ideally the Government would like to see wage increases confined to single figures, yet it has had little success in persuading the Post Office workers' union...

Officials have been making the point that the farmers, contrary to appearances, have not been let off the hook...

Prices would be cheaper than at previous Games, he added. Opening ceremony tickets, for example, will cost about 25 rouble...

Soviet citizens will be granted rebates of about 70 per cent on the prices quoted to foreigners...

More U.S. Olympic tickets

BY MICHAEL THOMPSON-NOEL

THE USSR is virtually doubling the U.S. quota of tickets for next year's Olympic Games in Moscow...

Nearly 1.7m tickets will be available for foreign visitors to the Moscow Games...

Tass quoted Mr. Vladimir Ioval, vice-chairman of the Soviet Olympic Organising Committee...

In particular, the quotas for the U.S. have been almost doubled, compared with the 1972 Olympic Games in Munich...

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Jonathan Carr, in Bonn, analyses the results of the German provincial elections

A solid vote for stability embarrasses Kohl



Herr Richard von Weizsaecker keeping the CDU in the hunt

West Berlin. That is naturally a big comfort to the Federal Government in Bonn, which consists of the same two parties...

According to the official preliminary figures the SPD received 42.6 per cent of the votes, exactly the same support as four years ago...

The 1975 result itself reflected a decline of support for the SPD from previous polls. The fall continued until the local party gained a new leader and the city a new governing mayor in Herr Dietrich Stobbe...

It is chiefly thanks to him that the SPD has made a comeback that talk of scandal and "jobs for the boys" has been largely stilled...

Many Social Democrats have cold shivers down the spine when they think what might have happened had not the leadership changed in the Berlin party...

For most people the key result is that the coalition between Social Democrats (SPD) and Liberal Free Democrats (FDP) can continue in

of the national party, a convincing defender of the middle ground in politics and, most important, a transparently honest man...

The FDP was more delighted than anyone by the results — gaining additional votes in both Berlin and Rhineland Palatinate...

It is difficult to see the CDU itself taking these election results together as evidence that the party needs another leader...

But the SPD and the FDP have their own problems at the top. The SPD chairman Herr Willy Brandt has only recently returned from convalescence...

But the SPD and the FDP have their own problems at the top. The SPD chairman Herr Willy Brandt has only recently returned from convalescence...

politically active in future as in the past. The FDP chairman and Foreign Minister, Herr Hans Dietrich Genscher, is also in poor health...

The elections were fought chiefly on local issues—but there was one main foreign policy argument which could have told against the SPD in West Berlin...

At the centre of the dispute there has been the SPD's parliamentary floor leader, Herr Herbert Wehner, whose comments have been widely interpreted (not only by the opposition) to mean that lack of progress with détente was the fault of the West more than of the East...

For Berlin, the so-called "barometer of détente," this controversy, and the apparent

For Berlin, the so-called "barometer of détente," this controversy, and the apparent



Herr Dietrich Stobbe—saving the SPD's bacon

difference of emphasis within the SPD could have been highly unsettling. But not for the first time Berliners have refused to be unsettled. Although nearly 4 per cent of them did vote this time for an "alternative party of environmentalists and other..."

warning to the three major groups not to become too comfortable. But in the main the internal political stability of a city in so unusual an international political position has been confirmed.

warning to the three major groups not to become too comfortable. But in the main the internal political stability of a city in so unusual an international political position has been confirmed.

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Scotchgard Carpet Protector logo.

Form for requesting a free no-obligation estimate. Fields for Name, Company, Address, and Tel. No.

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HOLDERS OF British Rail's £7 Senior Citizen Railcard can now obtain 30 to 50 per cent reductions on first or second class ordinary return fares between BR stations and destinations in France, Spain and Portugal.

Cut prices for pensioners using railcards will save 50 per cent of the ordinary fare for the British, Spanish and Portuguese parts of rail journeys and

30 per cent for the Channel crossing, and on trains in France. A London to Paris second class round trip will cost, instead of the normal fare of £38, only £26 for railcard holders.

The £35 Senior Citizen Railcard which provides half-price travel in Britain are not involved in the scheme but may be traded for a £7 card by paying the £35 difference.



OVERSEAS NEWS

Kurdish rebels battle with troops loyal to Khomeini

BY OUR FOREIGN STAFF

KURDISH REBELS yesterday fought Iranian forces loyal to Ayatollah Khomeini, the country's religious and political leader, in the worst outbreak of regional violence since the revolution last month. The trouble, in which dozens were reported killed and more than 200 injured, occurred as thousands of uniformed soldiers, seamen and airmen paraded through the streets of Tehran in a show of solidarity with the Islamic regime of the Ayatollah. An appeal by Ayatollah Khomeini, broadcast on the Voice of the Revolution Radio, asked for civilians and soldiers in the Kurdish city of Sanandaj in western Iran, where the fighting occurred, to fight back, but pointedly avoiding blaming the Kurds as a group for the trouble. Instead the Ayatollah said the Moslems in Kurdistan were brothers and accused anti-revolutionary elements of fan-

Malaysia decides to boost development spending

BY WONG SULONG IN KUALA LUMPUR

DATUK HUSSEIN ONN, Malaysia's Prime Minister, told Parliament yesterday that the Government was increasing its development expenditure under the current three-year plan by 73 per cent. This represents a major shift in emphasis half-way through the plan. Government expenditure for development under the Third Malaysia Plan, which ends in 1980, would be increased from 18.6bn ringgits to 32.1bn ringgits (£7.1bn). The Malaysian Prime Minister, who was presenting the mid-term review of the plan, said increased government intervention in the economy was necessary to sustain current growth targets in view of the depressed world economy, and the shortfall in the private sector. Originally, under the Third Malaysia Plan, the private sector was assigned the leading role in stimulating investment and growth. During the first three years of the plan, private investment grew by only 20 per cent, instead of the planned 33 per cent.

Iranian crown jewels on show. By Simon Henderson in Tehran. THERE WAS a time when the Iranian crown jewels were displayed simply by the Chancellor emptying out a sack. Indeed, Vita Sackville-West records that when she attended the coronation of the Shah's father in 1925, she plunged her hands "up to the wrists in emeralds." That was in the Golestan Palace in central Tehran. In 1938, the jewels were moved to Bank Mellat. Since 1960 they have resided in an air conditioned vault, in carefully lit cases in Iran's Central Bank. They have a vital function in maintaining the country's economic stability. The gems themselves are priceless. Central Bank officials refuse to put a value on them. But by law they constitute three-quarters of the backing of the Iranian currency — the rest coming from such variables as gold and convertible foreign currency reserves. The effect of the collection is overwhelming. Where Vita Sackville-West plunged her hands up to the wrists, there are now shallow trays of emeralds by the thousands. Most of the jewels predate the Pahlavis—the dynasty of the Shah and his father. And most, but not all, items are a gross display of extravagance. They used to be on display daily, except Fridays. Since the revolution they have been on display only on Monday afternoons. For the equivalent of 50p, the ordinary Iranian citizen can enter the Central Bank and obtain visible proof that the Shah, now in Morocco, did not—contrary to rumours—take it all with him.

Amin's forces gain ground

By John Worrall in Nairobi

PRESIDENT IDI AMIN'S troops appear to be pushing back into areas of south-western Uganda occupied by Ugandan rebels and supporting Tanzanian troops. Radio Uganda claimed yesterday that President Amin had visited troops at Mbarara, described as the "front line." A month ago the town was said to have been overrun by the rebels. Masaka, 75 miles south-west of Kampala, is still in rebel hands. There was no confirmation yesterday of Uganda's western claims that in the biggest battle of the war, 900 Tanzanian soldiers had been killed and 500 wounded. The battle would seem to have taken place at Lukaya, 80 miles from the Tanzanian border. The claim dovetails with exile reports from Tanzania that 300 Libyans and Palestinians fighting for Amin had been killed and that a force of 800 Ugandan soldiers had been ambushed and encircled in the same area. Observers believe that, though a battle probably did take place, casualty figures on both sides have been wildly exaggerated.

NIGERIA'S ECONOMY EASES OUT OF RECESSION

The challenges awaiting civil rule

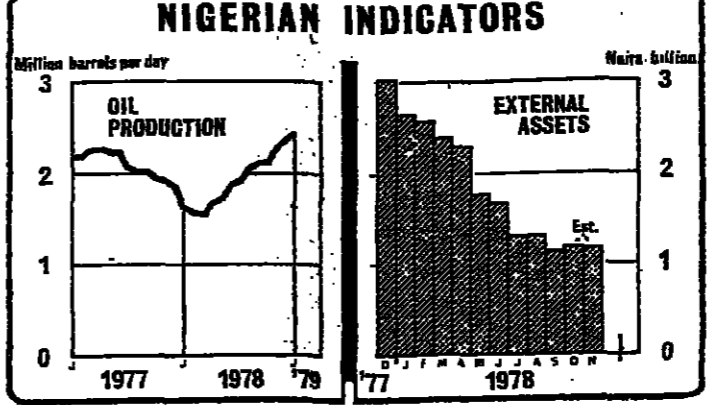
BY MARTIN DICKSON, RECENTLY IN LAGOS

HEARTFELT SIGNS of relief should be coming from the civilian politicians who are due to take over the Government of Nigeria in October: thanks to a rapid rise in oil production, the economy is slowly beginning to emerge from a sharp recession. Oil output, which one year ago had slumped to crisis levels, is running at an all-time record of around 2.43m barrels a day and that means that Nigeria's most serious short-term economic problem—the balance of payments—is starting to assume more manageable proportions. It will, of course, take some time for the effects of this to trickle through an economy which has been hit hard during the past 18 months, with real GDP growth falling from an estimated 10.3 per cent in fiscal 1976-77 to around 2 per cent in calendar 1978.

Now, however, the bottom of the trough has been reached, with higher oil output starting to fuel a still very modest recovery. The fortunes of the oil industry, which provides over 90 per cent of export earnings and around 30 per cent of GDP, are crucial to Nigeria's economic health. Last year's crisis was caused largely by a dramatic slump in production, due in some measure to competition from North Sea and Alaskan crude but mainly because of a poor Nigerian pricing policy. Lagos was charging too much for its oil relative to Libya and Algeria and therefore suffered disproportionately when demand for African light crudes dropped. Output reached a nadir of 1.32m b/d in March last year, and 2.09m b/d in 1977. On the basis of the 14 per cent OPEC price rise originally agreed for 1978, this should bring in earnings of naira 7.5bn (£6.25bn), compared with N5.6bn last year and N6.3bn in 1977. However, latest reports suggest Nigeria, together with Libya and Algeria, will impose an additional surcharge for its oil from the start of April. All this means a measure of relief for the officials who have had a difficult time during the past year juggling with the Government's internal and external financial commitments against a background of sharply reduced oil earnings, a high flow of imports and rapidly diminishing foreign exchange reserves. In the first six months of last year the country recorded a

huge current account deficit of N1.75bn (N282m in the same period of 1977). Visible trade moved from a first-half surplus of N592m in 1977 to a deficit of N751m. The central bank's external reserves plummeted from N2.52bn at the end of 1977 to N1.02bn by the end of last September, even though the Government drew fully on its \$1bn Eurocurrency loan during this period. Now, however, the picture is more encouraging. Not only is oil production up, but imports are sharply down, thanks to last year's budget and the much-criticised scheme of pre-shipment inspection for imports which the Government introduced at the start of this year. This gradual improvement in the balance of payments is not producing any sense of complacency or euphoria in Lagos, for the Government's financial posi-

tion remains tight in the short term. At the end of November the central bank's external reserve stood at just N1.06bn, little more than two months' imports. (Later figures are not available, but since November the Government has taken up its second major Eurocurrency loan, for \$750m, which was fully drawn down by January.) On top of this, both the Federal Government in Lagos and the administrations in many of Nigeria's 19 states have substantial unfunded, unofficial short-term debts to pay off, both in naira and foreign currency. It is difficult to gauge the precise level of these debts, but they are said in some states to amount to well over 10 per cent of the total estimated budget and run into tens of millions of naira. Some foreign construction companies have simply ceased operating in Nigeria until they are paid for work done. Moreover, while the external accounts are beginning to look more healthy, the new civilian Government will still inherit a host of extremely complicated economic problems. These include a rate of inflation which has never been less than 20 per cent a year since the start of the oil boom, difficulties in attracting major new foreign investment, production cost and price distortions which have made the economy increasingly import-orientated, stagnating agricultural production and a disturbing gulf between rich and poor. But will a civilian administration approach the cautious, realistic approach to the economy now evident in government ministries? In the short-term, its hands will be tied to some extent by the present Government's allocation of budgetary resources and by the outline programme for the 1980-85 development plan, which will lay strong emphasis on the consolidation and maintenance of existing resources. However, the politicians will be under strong pressure to deliver something to the electorate, possibly in the form of a December mini-budget or an expansionary budget in April 1980. One of their most immediate challenges is likely to be on the labour front, where strong pressures have been building up for a relaxation of the Government's tough wage-restraint policy.



month 32 per cent on the same month of 1977, before a pricing policy more in line with the world market brought a steady recovery. By last August production was back above 2m b/d and still rising. On top of this came the Iranian oil crisis, which gave an additional fillip to the demand for Nigerian crude, so that production has been running since the start of this year at around 2.43m b/d, a remarkable 49 per cent rise on January, 1978, and close to the upper limit of Nigeria's production capacity. Irrespective of what happens in Iran, Nigeria should be able to sustain production levels above 2m b/d for the foreseeable future, provided its prices remain right. Government officials are hoping to keep to a daily average production level of around 2.4m barrels throughout this year (1.91m b/d in 1978

LEGAL NOTICES

No. 00637 of 1979. In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of PARVAY LAND INVESTMENTS LIMITED and in the Matter of THE COMPANIES ACT, 1948. NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was presented to the said Court by the COMMISSIONERS OF INLAND REVENUE, on the 15th day of March 1979, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, on the 27th day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the hearing, in person or by his counsel, for that purpose, and a copy of the Petition will be furnished to any creditor or contributory of the said Company requiring the same by the undersigned, on payment of the regulated charge for the same.

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COMPANY NOTICES

CANADA-UNITED KINGDOM FREIGHT LOW-BALANCE. NOTICE TO IMPORTERS IN THE U.K. TRAFFIC FROM CANADA. CUSTOMS CLEARANCE CHARGES IN THE U.K. Importers should be aware that, as a result of continued increases in costs, the scale of charges applicable when customs clearance services are performed by the member lines of the above-named Association will continue to be held at their present non-comparative level and will be revised in the future. Preparation and lodging of bills of lading, etc. Pes 14.00. Note: When post entry, a reduced additional charge of Pes 14.00 will be applied. Pes 12.00 per entry. The foregoing charges apply to entries containing one or two W.M. Customs Tariff items. Entries containing more than two large items will be subject to an additional Pes 2.25 per additional heading or line. Pes 9.00 per entry. Presentation and lodging of entries prepared by importer. Pes 9.00 per entry. Attendance and supervision—House-to-house and pier-to-house containers. Pes 7.00 per container with a maximum of Pes 42.00 per consignment. Over 10 tons. Pes 0.85 per ton per consignment of Pes 42.00 per consignment. H.M. Customs examination, where incurred, to be charged at actual cost. Manchester Liners Ltd. | Joint Golden Cross Line Ltd. | Membership CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD. Secularized. Cunard Building, Liverpool 3 15s. March 1979.

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NOTICE TO BONDHOLDERS

SAAB-SCANIA AKTIEBOLAG. U.S. \$50,000,000 8 1/8% Bonds due 15th March, 1989. Pursuant to the terms and conditions of the Bonds, notice is hereby given that during the twelve-month period beginning on 15th March, 1978, the Company has purchased U.S. \$2,500,000 principal amount of the subject Bonds in satisfaction of the Purchase Fund requirements. As of 15th March 1979, the principal amount of such Bonds remaining in circulation was U.S. \$49,000,000. FOR SAAB-SCANIA AKTIEBOLAG CITIBANK, N.A. London 20th March, 1979.

CONTRACTS AND TENDERS

THE ENTREPRISE TUNISIENNE D'ACTIVITES PETROLIERES (ETAP) a Tunisian public institution acting for the Tunisian State calls for an international tender for the attribution by the Tunisian State of two off-shore Blobs open for exploration, located east of the Kerkentah Islands in the Gulf of Gabes Tunisia: — Approximate General Location Area: 34° 30'—35° 00' North 11° 20'—12° 12' East. — Blob One: "Gabes Septentrional Est" covering about 550 km². — Blob Two: "Gabes Septentrional Ouest" covering about 2,400 km². Interested oil companies are invited to consult and retrieve, starting April 2, 1979, from ETAP (Exploration Department), 11, Avenue Khereddine Pacha, Tunis, Tunisia, Telex 12128, Tel. 287 188, all tender documents with consist of: — A standard joint venture agreement which will be signed between ETAP and the successful company at a later date. — A standard convention and a memorandum of obligations to be signed at a later date between the Tunisian State on one hand and ETAP and the successful company on the other. — Available technical documents to be consulted in ETAP's offices. Upon consultation and retrieval of above listed documents, against payment to ETAP of 50 Tunisian Dinars, oil companies have until May 15, 1979, to forward to ETAP their sealed bids.

Sime Darby logo. TO THE ORDINARY SHAREHOLDERS OF GUTHRIE. Sime Darby's offer is more than 50% above the pre-bid price. Without our offer the share price will fall. Guthrie has forecast higher profits and dividends but figures, based on highly optimistic assumptions, are suspect. You cannot rely on them. The Guthrie dividend has been cut in the past and earnings per share have fallen, contrary to the impression given by Guthrie. Our final offer reflects past performance and future prospects. You can accept it with the confidence that you can re-invest the proceeds to obtain substantially higher returns. By comparison, Guthrie's future is very uncertain in face of volatile commodity prices and changing economic conditions. You are therefore urged to accept the offer by 3.30 p.m. on THURSDAY, 22nd MARCH, 1979. If you wish to obtain a Form of Acceptance and Transfer or would like further advice as regards accepting the offer, please telephone Kleinwort, Benson Limited on 01-623 8000. The Board of Sime Darby has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. All the Directors of Sime Darby jointly and severally accept responsibility accordingly.

Argentina and UK to restore ambassadors

BY DAVID TONGE

BRITAIN and Argentina are to restore ambassadorial relations, the two Governments confirmed yesterday.

These relations had been broken off by Buenos Aires in 1976 because of the dispute about sovereignty over the Falkland Islands. The islands are believed to have potential oil reserves and are rich in fish.

Relations between the two countries were strained when Argentina occupied the Falkland island of Thule 1,400 miles east of South America. Argentina is now interested in nuclear and oil co-operation.

On Wednesday, delegations from the two countries met in New York for the latest round of talks on Anglo-Argentine relations.

The emphasis is to be on economic co-operation, but diplomats say that the initial terms of reference agreed in April, 1977 for such talks allow the question of sovereignty also to be broached.

Diplomats insist that no proposals on this subject would be put to the British Parliament unless they were acceptable to the Falklanders as a whole.

Representatives of the Falkland Islanders said in London last night that they welcomed restoration of relations at ambassadorial level so long as it implied recognition of the islanders' rights to remain British as long as they wished.

The Foreign Office echoed this view, saying that the development had no implications for British policy towards the islands.

The Foreign Office also made it clear that restoration of ambassadors did not signify any change in British attitudes towards human rights in Argentina. Human rights organisations estimate that at least 15,000 people have "disappeared" since the present régime took power.

The Committee for Human Rights in Argentina last night described as "totally wrong" the UK's decision to grant the Argentine junta full diplomatic recognition.

The British suggest that the junta's record has been improving and report that a committee from the Organisation of American States is to visit Argentina in the next two months.

U.S. HOUSING FINANCE

Lifebelt for home loans industry

BY STEWART FLEMING IN NEW YORK

THE U.S. banking authorities last week threw a lifebelt to the American savings industry, parts of which had begun to ship water at a disturbing rate.

The federal regulators moved to reduce the rate of interest the savings and loan associations and mutual savings banks were paying on \$70bn of six-month savings certificates. The objective is to alleviate a profits squeeze which officials concede was beginning to threaten the viability of some savings institutions. In a sector which has lent some \$500bn to Americans to buy their own homes.

But economists warn that the price of helping the savings and loan associations and mutual savings banks could be high.

As a result of the new regulations these institutions are less attractive as a home for savings. That could mean that another nail has been driven into the inflationary housing boom which has gripped the country for the past three years, at a time when many are anticipating a general downturn in economic activity.

Already, barely a week after the new regulations came into effect, savings associations are reporting signs of a sharp slowdown in the flow of funds into the certificates. If this proves to be more than a temporary reaction, it will begin to hit the supply of funds to the housing industry.

Housing starts in January and February are already sharply down, but this reflects weather conditions. Just how much of a slowdown is developed in the housing market will not be clear until March and April's figures are available.

Whatever the outcome, the actions to help the savings industry have exposed the fumbling hand which has guided financial policy in relation to the housing industry over the past year.

In the middle of last year Savings associations in the U.S. home loans business have experienced a huge investment boom because of the high interest rates they pay to savers. But because the rates charged to home buyers in some states are legally limited, a profit squeeze threatened the associations forcing the banking authorities to intervene.

there were fears that rising interest rates would tempt savers away from thrift institutions which could offer returns of only 8 per cent, and then only for eight year deposits.

If this had happened, the housing industry might have been propelled into a recession which eventually could have dragged the rest of the economy down with it.

The solution decided on by policymakers who wanted to keep the economic expansion moving was to allow thrift institutions and commercial banks to issue six month savings certificates with returns pegged

to six month treasury bill rates. To the astonishment of the policymakers in Washington, funds poured into the new certificates with much of the money simply shifting from low paying savings accounts. Thus in the past nine months close to \$105bn has been pumped into the new certificates by yield-conscious savers, who in recent months have been getting interest at annual rates of 10 per cent and more.

This proved to be good for the housing industry—too good.

But it is no panacea. For one thing, as the six month certificates have become less attractive, other forms of savings, including short-term Treasury securities and money market investment funds, have become more competitive. In the past five months alone, \$5bn has been invested in the money market.

Funds which are still paying close to 10 per cent often require minimum deposits of only \$1,000 compared with \$10,000 for the six month certificates, and in some cases allow the investor to write cheques against the funds.

There are fears, therefore, that the funds which have flowed into the six month certificates may be shifted just as quickly elsewhere. A rush of maturities is the last thing a savings association wants to see. The extent of this danger

growth of deposits over the past five years. The reserve requirement is averaged over a five-year period so that the reserve burden is likely to continue to rise even if deposit growth stops and profitability slumps.

Last week's decisions will knock just under 1 percentage point off the rate of interest which the savings associations and savings banks can pay on the six-month certificates. In relation to \$70bn of assets accounting for 10-15 per cent of deposits, this soon adds up.

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Wheat trading starts again amid court fight

BY DAVID LASCELLES IN NEW YORK

TRADING IN March wheat futures resumed on the Chicago Board of Trade yesterday morning while a court battle was going on between the Board and the Commodity Futures Trading Commission (CFTC) over whether the March contract should be closed because of alleged market manipulation.

Defying a CFTC order suspending the March contract, and backed by a last minute decision by the local courts on Sunday afternoon, the Chicago Board allowed trading in the contract yesterday, for liquidation or actual delivery only.

But the CFTC was meanwhile appealing against the court's ruling, and was prepared to take the case up to the presiding judge for the Seventh Circuit, Mr. Justice John P. Stevens. By mid-day it was still not clear what the outcome would be.

The CFTC, which polices the commodity futures markets, is acting because of what it fears is the danger of a "severe market disruption" due to large, long, open positions taken up by a small group of four speculators in the March contract.

The amount represented by their positions, which account for 80 per cent of open, long positions, far exceeds the amount of appropriate quality wheat available for delivery, the CFTC says. It fears that speculators holding short positions will be forced to pay excessive prices to close their interest.

The Chicago Board, however, says there is no imminent danger, and it believes it can restore order to the market by allowing speculators to liquidate their positions, and continue trading in the March contract until it closes on Wednesday. The CFTC wants trading in the contract to be halted altogether.

Apart from highlighting the current state of the wheat futures market, the case has attracted a lot of attention because of the forceful position adopted by the CFTC, which is only four years old and appears to be seeking to assert its authority.

This is the first time a suspension of this kind has ever been ordered, and the commodity markets fear that if it is successful, it will lead to further interference by the regulatory bodies in the free market system.

EEC energy chief meets Schlesinger



Herr Brunner

Herr Guido Brunner, the European Commissioner for Energy is to meet Dr. James Schlesinger, the U.S. Energy Secretary, in Washington revolution and energy-outlook after the Iranian revolution and energy-saving action by the main oil consuming countries.

The Commissioner will outline a proposal for regular informal contacts at export level between oil producers and consumers for the exchange of economic data and forecasts.

He is also to meet Mr. Frank Press, chief scientific adviser to President Carter, and sign an agreement on research into nuclear security and reactor safety.

Hanging set to stay in Bermuda

CAPITAL punishment looks set to remain in Bermuda. While a Royal Commission report on crime agrees that the death penalty should be abolished in some cases, it recommends it should remain for the murder of policemen, prison officers on duty and murder by explosives or shooting.

The Commission was established two years ago by Sir Edwin Leather, the former Governor, to examine the causes and prevention of crime. Eight commissioners were appointed and their findings have just been made public.

Only two members, Mr. Julian Hall and Mrs. Aurelia Burch, called for total abolition of hanging. The majority agreed in the 44-page report that capital punishment was a deterrent where those at risk were police or prison staff.

The murder of a person by shooting should still carry the death penalty to discourage the carrying of firearms, the report adds.

"The experience of other countries indicates that when violence is deliberately used as a political tool, the gun and the bomb are the likely weapons."

Other major recommendations include:

Prison officers should consider subjecting short-term prisoners to exhausting and unpleasant, but not brutal, physical activity.

Every effort should be made to "Bermudianise" the police. A Committee of Mercy should be set up to review every death sentence.

Trinidad expands gas production

BY DAVID RENWICK IN TRINIDAD

TRINIDAD AND Tobago's reserves of dry natural gas amount to at least 12,000bn standard cubic feet, according to Ryder Scott and Co., one of the world's leading experts in the field. This could be boosted to a level of 21,000bn cubic feet with additional drilling, the exploration of new acreage and advances in technology.

Making the first official announcement on gas reserves following the consultant's findings, Mr. Errol Mahabir, Minister of Petroleum and Mines, noted that the minimum figure of 12,000bn was enough to cover the needs of the Trinidad and Tobago Electricity Commission (T and TEC) and the major energy-using industries like steel, fertilisers, aluminium and methanol for the next 39 years and still leave a 4,000bn surplus.

This would allow a liquefied natural gas (LNG) plant of a capacity of at least 500m standard cubic feet a day (scfd) to be established in Trinidad, with the likelihood that further success of gas supply could raise this to 750m scfd.

Consortium

In the event that the larger size was decided upon, a third U.S. company, Texas Gas Transmission, would be invited to become involved in the project, Mr. Mahabir said.

At the moment, the LNG project is being undertaken by a consortium in which the Trinidad and Tobago Government owns 51 per cent and Tenneco and People's Gas, both of the U.S. hold 24.5 per cent each.

A fourth foreign partner is also interested in participating in the Trinidad LNG facility, which Mr. Mahabir said was "now recognised as one out of the many proposed LNG plants throughout the world that is

most likely to come to fruition."

Huffington Incorporated of Houston, which built the LNG plant at Badak, Indonesia, in five years and now operates it, has been co-opted as a technical partner in the design engineering stage, with a view to being offered part of the equity after the application to import LNG to the U.S. has been made to the U.S. Department of Energy.

Pipeline

Another U.S. company, King Wilkinson, which also worked on LNG in Indonesia and Algeria, had earlier been engaged as engineering consultant for studies in connection with the pipeline and gathering facilities, liquefaction plant and shipping system necessary to prepare the documentation for the U.S. hearings.

Mr. Mahabir announced that the Government is going ahead with construction of its own platform off Trinidad's east coast, for the collection and compression of 50m scfd of low pressure gas associated with the production of crude by Amoco Trinidad Oil Company.

At the moment, the state-owned National Gas Co. uses Amoco's offshore platform facilities, although it controls its own pipeline for actual delivery of the gas to shore.

It is associated gas which is now used almost exclusively to fulfil the needs of electricity generation and the existing fertiliser plants. The availability of this gas is dependent on the rate of output of crude, however, and it played only a marginal part in the study done by Ryder Scott, which concentrated on dry gas fields.

Current utilisation of associated gas is now 63 per cent and will increase to 75 per cent or more after the new processing platform is installed.



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WORLD TRADE NEWS

Japan, S. Korea oil exploration pact

BY RICHARD HANSON IN TOKYO
JAPAN and South Korea have reached a compromise which brings them a step nearer implementing long delayed plans for joint exploration for offshore oil and natural gas in the continental shelf lying between them.

There have been estimates that the area contains between 200-300 million recoverable oil, but these are based only on preliminary guesses. The two countries will share the output of oil and gas equally.

The finding of substantial oil deposits near the two countries would be significant because of the near total dependence of both on oil imports.

The companies involved in the various sub-sectors (one Japanese and one South Korean concessionaire in each) reached joint contracts over the weekend and submitted them to the Governments of both countries for final approval.

Rhone-Poulenc to increase market share

PARIS — Rhone-Poulenc, the French chemical group, said yesterday it intends to develop its activities in Japan in the fields of pharmaceuticals, pure chemistry, plant care products and animal food additives.

Shipbuilders at 32% capacity

JAPAN'S SEVEN major shipbuilders will operate at 32 per cent capacity during fiscal 1979. This is below the government guideline of 34 per cent.

Mitsui to suspend Iran project

TOKYO — Mitsui said yesterday it would suspend for three months from April 1 building of a \$3.25bn (£7.63bn) petrochemical complex at Bandar Shapur in Iran.

agreed to provide 25 per cent of the financing for Alumar's planned aluminium smelter in South Carolina in exchange for 25 per cent of the output.

special U.S. presidential assistant for external economic affairs, warned that protectionist sentiments were so strong in Congress that it would pass legislation to limit imports if the current strained bilateral trade relations remain unchecked.

Algerian fertiliser plant

TOKYO — A consortium of one Polish and two Japanese companies has signed a \$780bn (£200m) contract with Algeria's state-run oil and gas corporation, Sonatrach, to build two integrated chemical fertiliser plants in Algeria.

in northern Algeria, by the end of 1982.

Chinese minister in Tokyo to discuss trade accord

CHINESE VICE foreign trade minister, Mr. Liu Xiwen, arrived in Tokyo over the weekend for talks on the Japan-China long-term trade agreement, but it appears that few concrete decisions will be taken.

During talks early this week with Mr. Liu, the Japanese expect agreement will be reached on extending the term of the 1978-85 trade agreement, reached last year, through 1990.

Malaysia urges Peking to reduce imbalance

MALAYSIAN AND Chinese officials have finalised the principles for a trade agreement, following the visit of the Chinese Foreign Trade Minister, Mr. Li Qiang to Malaysia last week.

quantities of Chinese exports to Malaysia were handled through Hong Kong and Singapore. Malaysia also wants China to reduce the trade imbalance, which is heavily in China's favour.

German textile orders fall

FRANKFURT — New orders to the West German textile industry fell 7.5 per cent in January from a year earlier, reversing an upward trend experienced in the second half of 1978, the textile industry association, Gesamttextil, reported yesterday.

period, compared with a 2-per cent increase in the first half of 1978 over the first half of 1977.

Irish exports show big February rise to £260m

IRISH EXPORTS have shown an appreciable increase after poor performances in December and January. Exports for February were worth £260m, a rise of over 28 per cent on the same month a year ago.

Since then the Irish Export Board has been concerned about the drop in sales abroad. Exports remained static in December and actually fell when price increases were taken into account.

past six months, leading some observers to suggest the country has developed a structural problem in its exports.

Czech visit for Trade Secretary \$50m Syrian LPG plant

Financial Times Reporter MR. JOHN SMITH, the UK Trade Secretary, is to visit Czechoslovakia from Thursday to Saturday, March 22-24.

INDUSTRIAL EXPORT of Romania has been awarded a Syrian £200m (about \$50m) contract to provide and build a liquefied petroleum gas (LPG) plant in northern Syria.

Kuwait and Hungary have signed three separate agreements for co-operation in the medical, information and civil aviation fields, AP-DJ reports from Kuwait.

Soaring costs make rises certain

AIR FARES are now considered certain to be raised this spring by most of the world's airlines because of soaring fuel costs.

Spot shortages of aviation fuel, which have caused some flight cancellations in the U.S., have not yet become a serious problem in Europe, although some shortages have emerged.

Another factor has been the aviation fuel price decontrol, which many airlines thought would ease a tight fuel situation by encouraging more refiners to make jet fuel because of the higher prices they could get.

How does the FT get front page stories from London to Frankfurt in a matter of seconds?

On January 2nd the Financial Times made a major investment to expand circulation abroad. They began to print in Frankfurt as well as London.

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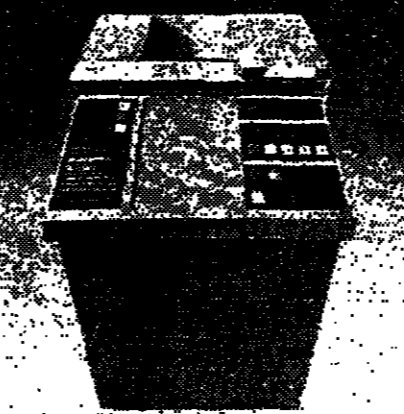


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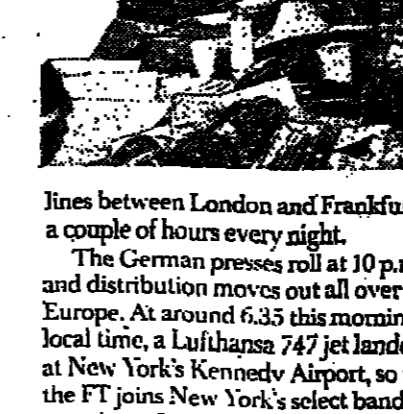
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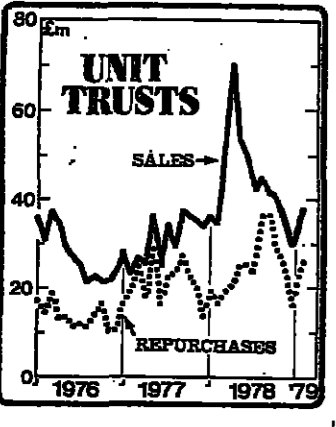
UK NEWS

Tendering system for stock 'criminal'

BY DAVID FREUD
A TENDER system for selling Government stock would be "criminal" in the present fragile state of the UK economy...

Unit trusts boosted by share price strength

BY EAMONN FINGLETON
THE IMPROVING outlook for stock market investment helped boost unit trusts sales last month by £7m to £38.7m...



Both sales and repurchases were at their highest levels since last autumn. Net new investment totalled £12.5m.

Fleetwood's future in the balance

BY RICHARD MOONEY
TALKS WHICH could decide the future of the Lancashire fish port of Fleetwood will be held at the Ministry of Agriculture and Fisheries in London today...

JONES LANG WOOTTON LTD. Chartered Surveyors. 103 MOUNT STREET LONDON. W1Y 6AS. Tel: 01-493 6040. Regret the inconvenience resulting from the total failure of their telephone system on Monday 19th March, 1979.

Electricity board aims at sharp rise in use of coal

BY JOHN LLOYD
THE CENTRAL Electricity Generating Board has told Mr. Anthony Wedgwood Benn, the Energy Secretary, that it will attempt to increase sharply its coal burn in the coming year to 80m tonnes.

Oil pollution seminar warned of too few ship inspectors

BY LYNTON McLAIn
THE GOVERNMENT was told yesterday by one of its advisers that it did not have enough ship inspectors to ensure the highest standards of oil tanker operation.

Ship's engine builder to make 175 redundant

BY LYNTON McLAIn
GEORGE CLARK and NEM, the Fyneside marine engine builder which is hoping to win a £20m order from Seatrain Lines of the U.S., said yesterday that it was to make 175 workers redundant.

Some Scotch whisky prices to rise on April 1

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT
SOME SCOTCH whisky prices are set to rise at the beginning of next month no matter what duty increase the Chancellor may decide to put on drink in the Budget.

Concrete companies may face charges

BY PAUL TAYLOR
MR. GORDON BORRIE, Director General of Fair Trading, is to consider prosecuting 10 companies over the operation of a cement pipe supply price ring.

Pye TMC plans to close factory

BY MAX WILKINSON
PYE TMC, a subsidiary of Dutch Philips, yesterday announced plans to close its Scottish factory which employs 500 people making telecommunications transmission equipment.

'Chemical blast chances rising'

BY Sue Cameron, Chemicals Correspondent
THE CHANCES of a disastrous, Flixborough-style explosion occurring at a chemical plant are increasing all the time, according to a book published yesterday by the Institution of Chemical Engineers.

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British Caledonian record profit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
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Move to revise subsidy for overseas students

BY MICHAEL DIXON, EDUCATION CORRESPONDENT
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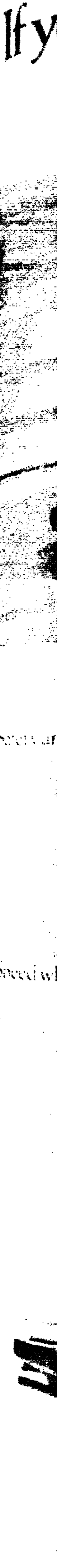
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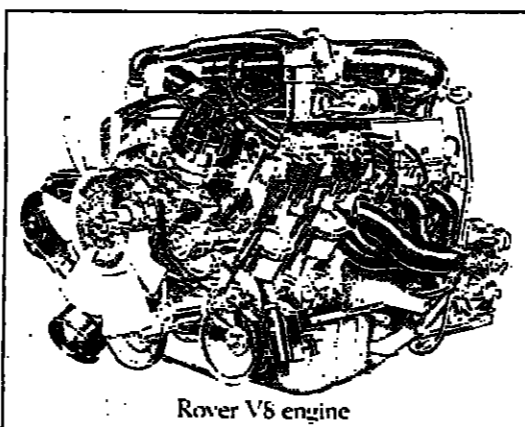
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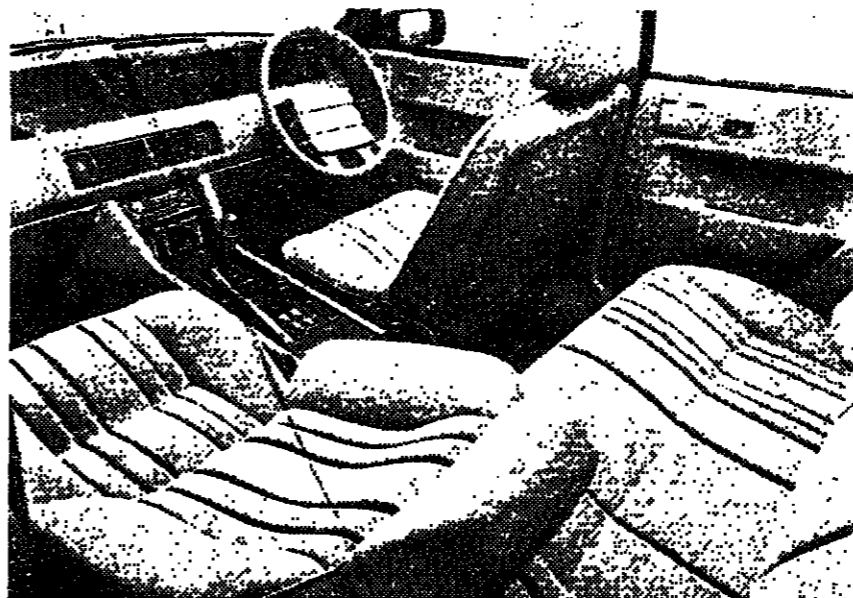


Rover V8 engine



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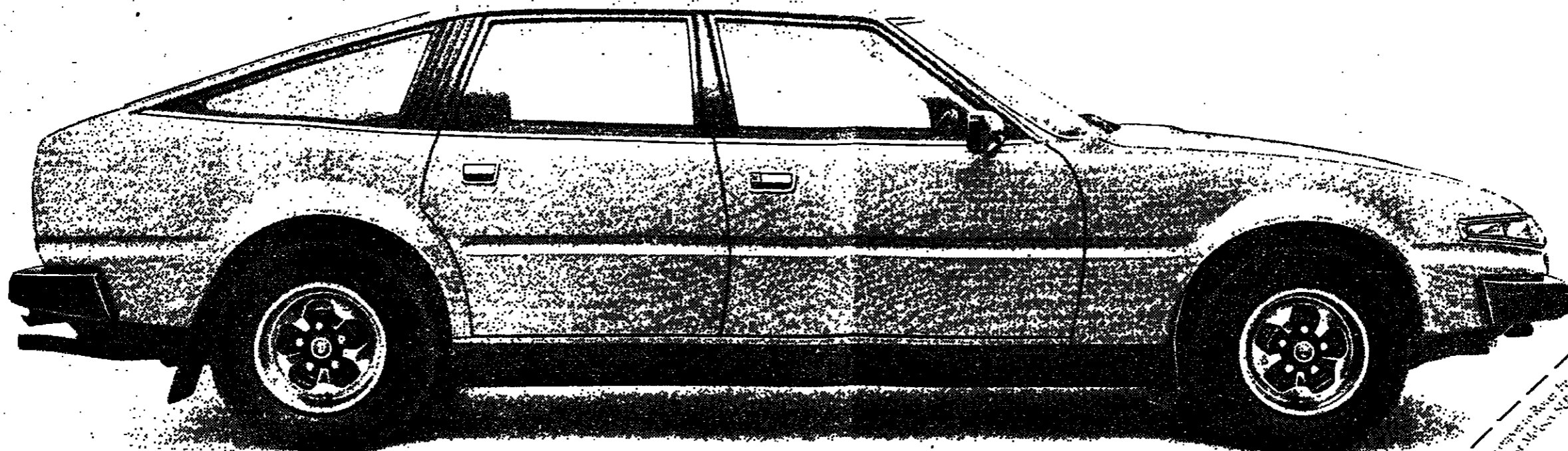
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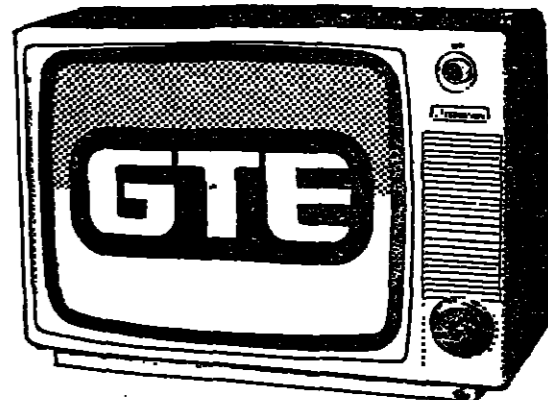
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An American utility rings the changes in a quest for worldwide profits

BY JOHN LLOYD



GTE has always suffered when compared with American Telephone and Telegraph, better known as Bell, the world's largest utility company and the provider of telecommunication services for most Americans. "We've gotten used to thinking of ourselves as small," says Dr. Lee Davenport, vice president and chief scientist, because we run such a poor second to Bell. But, on any other count, we're big.

The company's telecommunications, lighting, TV and other operations have 92 manufacturing plants and 31 laboratories in the U.S., 52 plants overseas including 19 in Canada, five in West Germany mainly concerned with the successful SABA TV set and radio range; three good-sized telecommunications factories in Italy, two small plants in the K making lamps, TV tube manufacturing facilities in Belgium and TV component plants in France and Spain.

The company also owns 21 telephone operating companies which supply telecommunication needs to large, mainly rural areas of the U.S. It operates around eight per cent of total U.S. telephones—a percentage which, in 1977, represented 13.6m phones, a few thousand less than were operated by the Post Office in that year.

GTE's TV interests make it a third largest TV set manufacturer in the U.S.—after Smith and RCA—and still lead of the Japanese," says George Konkol, president of the consumer electronics group.

The hybrid nature of the company is part design, part accident. Historically an agglomeration of operating companies, it diversified into manufacturing after the last war in order to boost profits. It acquired Automatic Electric, which stands in the same relation to the company as Western Electric does to Bell, providing a bulk of its telephone operating companies' equipment needs though Automatic sells widely other customers (including

Dr. Lee Davenport, vice-president and chief scientist of General Telephone and Electronics, likes to quote from evidence given by Sir William Priest, then chief engineer of the British Post Office to a special committee of the House of Commons in 1879. Asked by the committee for his views on the telephone—which at that time had been in limited use in the U.S. for some three years—Priest said: "The absence of servants, of course, has compelled Americans to adopt communications systems for domestic purposes. Now, few have worked at the telephone much more than I have. I have one in my office—but more for show than for anything else. If I want to send a message I used my boy to take it to its destination."

The ironies in Sir William's remarks are not at all at the expense of the British Post Office. One hundred years on, Davenport and his colleagues at GTE—the largest independent (non-Bell) telecommunications company in the U.S., whose turnover of around \$8bn ranks it 20th on the Fortune list of top industrial and utility corporations—is examining the Post Office's Prestel Videodata system. Prestel is considerably in advance of the company's own developments in the field and GTE could market Prestel in the U.S. later this year.

The link is by no means certain. GTE is also looking at Antiope/Teletel, the equivalent system developed by the French telecommunications directorate and Télédiffusion de France, the state TV company.

Two further factors heighten Europe's current interest in the company. First, GTE is increasingly flexing its international muscles, and is looking for strong growth in Europe where it has a number of subsidiaries; second, it underwent sweeping structural changes three years ago in response to what was felt to be relatively poor performance, especially overseas, and it is now reasonable to assess the success of these changes.

Of the optical fibre innovations. Konkol reckons that 1979 will see 9.4m sets sold in the U.S., and thinks that "normalcy" is between 9m and 10m. "It's a second set and replacement market now," he says.

His major activity overseas is the SABA subsidiary in West Germany, which manufactures colour and monochrome TVs and audio products, takes around 10 per cent of the German colour TV market and is strong in Italy, too. He believes that the European set makers have benefited from the U.S. experience. "I don't think they'll make the same mistakes we made. The Japanese have been contained to the small screen market very largely—they have about 50 per cent of the 14 inch and 16 inch black and white market in Germany—but their overall share has been stable at 10 per cent for three years. Transportation costs for large sets tend to be prohibitive."

The company has already begun research on the flat screen TV, and last year signed a three-year contract with Lucitron, a Chicago-based research company, to assist it to develop a marketable set.

At present, much of GTE's corporate concern is focussed on the acquisition of Teletel, a company which operates a rapidly growing "packet-switched" network in the U.S. Packet-switching is a technique which allows computers in different locations to "talk" to each other: their data is converted into tiny blocks, or packets, and routed through a network of switching centres to their destination. Teletel grossed \$8.9m last year: the deal is worth around \$60m, and FCC approval is awaited.

The FCC, and the Administration in general, causes the company some concern. The Communications Act, which provides the legal base for both operating companies and for the production and marketing of communications products, is presently being re-drafted. GTE—like all communication companies—fears that the spirit of deregulation and unrestricted competition may have gone too far. Like Bell, it has prospered under regulation: and like Bell, too, it believes the public is better served thereby. But it also believes it is in better shape to cope with whatever changes may arise.

down the road on the contract when the Islamic revolution swept over the country: it pulled out the 400 Americans associated with the project last month. About 40 per cent of the equipment had by then been delivered under letters of credit: the company now has to wait, like all other suppliers, to learn the new regime's priorities.

The company's great hope is in Egypt, where it is part of a consortium with Western Electric and with Continental Telephone, another major independent, for the largest deal yet in the booming world telecommunications market—the extension of the Egyptian telecommunications system.

Ambitious

The contract is estimated to be worth around \$2bn over the next five years—with a probable extension to 20 years in all—worth billions more. Last year, it seemed as though GTE and its partners were about to get it. That they have not yet done so is currently a matter for some recrimination against the U.S. Government which was to finance the deal.

The ambitious proposal, first set out in a major study in Continental, requires equally ambitious funding. Egypt cannot afford to pay for more than a fraction of the cost from its own funds. Clearly concessionary government funding is required, and the initial plan seems to have been that the bulk of these funds came from Saudi Arabia and the U.S. But the figures were so large that the U.S. pulled back: so, then, did the Saudis.

It was then—some six months ago—that other major telecommunications companies dropped their pose of languid despair and leapt into the widening rift. The Japanese rapidly put together a consortium, headed by Nippon Electric and Hitachi; the U.S. multinational ITT, followed by Ericsson of Sweden, Philips of Holland, and the two French companies CIT Alcatel and Thomson CSF all put out preliminary feelers, letting it be known that if international tenders were called for, they would be bidding. Both the French and the Japanese, at least, could count on full financial backing from their governments.

The possibility of losing such business in a strategically critical area has evidently made the U.S. Government re-think. "We have been trying to make the Government see that there is a problem when you're competing with companies backed by government loans. I believe our Government now thinks that funding is necessary."

While this concern for world markets is not new to GTE—as it is to Bell, whose Western Electric made its massive inter-

national debut only three years ago—it shares Bell's reasons for finding large foreign sales. Gressens estimates that the growth of telecommunications traffic in the U.S. is now down to between 5 and 7 per cent, compared with 8 to 10 per cent in Western Europe, and much more in some developing countries.

Every developing region—the Middle and Far East, Latin America and Africa—is seen as a market opportunity. So is Europe: "It is a difficult market for us to address; but we hope that in the future, equipment will be sold between states more freely and we would be able to serve the whole European market."

For all its slower growth, the U.S. remains the prime market here," says Gressens. "There will be growth, not so much in more phones, but in new services. The electronic transfer of funds is one example."

The selling climate has changed in the U.S. telecommunications market over the past 10 years. Since the crucial Carterphone decision of 1968, which allowed the "interconnection" of a variety of equipment to the network of Bell—and of other operating companies—and even more since 1976, when the Federal Communications Commission abolished the provision that such equipment had to have protective devices fitted on it, the market for private branch exchanges (PBXs), key telephone systems, extension phones and data terminals has both expanded and seen the entry of a host of competitors, many from abroad.

The company is, ambiguous about the new set up. On the one hand, it regrets the loss of its service role—as does Bell—to companies who erupt into the market, sell equipment and

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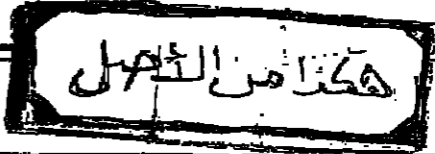
PRETEL IN BUSINESS

An accurate up-to-date one-day briefing on the business market with Alex Reid (PO), Justin Dukes (FT), Nicholas Remington-Hobbs (SE), Sir John Barran (COI), Mervyn Grubb (GKN) and others.

Tuesday 27th March 1979

At the London Press Centre Bookings (£80 + VAT) to: Brigette Burnett, Seminar Division, Mills & Allen Communications, Broadwick House, Broadwick Street, London W1V 1PF, Tel: 01-439 9541.

THE ARTS



Stuttgart: State Theatre

Orpheus by CLEMENT CRISP

"Death is all metaphors." With this Dyer Thomas quotation William Forsythe provides the commentary he provides in his new ballet Orpheus...



Richard Cragun and Reid Anderson (above)

Anderson is tremendous at this moment, his self-satisfied exit being the equivalent of "Such a pity, so sad. But do admire my elegance of style..."

I have detailed the action of this piece in the hope that I may convey something of its dramatic energy and the distinction with which it is manifested on stage.

For William Forsythe, whose only other ballet I have seen is the Flora which the Stuttgart company showed us at the Coliseum last summer...

Festival Hall

Dances from Salome

by RONALD CRICHTON

"It is probably as well, at a first hearing," Peter Maxwell Davies stated in the programme note for Friday evening's first British performance of his Dances from Salome...

All the same it was tempting to try and relate the sounds made by the London Symphony Orchestra under David Atherton (at the second of the Four Friday Concerts) not necessarily to the action but to some form of Balletic movement...

Apart from copious melodic invention and an ear for colour, the job needs an inborn feeling for and understanding of the movements of the classical dance and a more generalised gift for writing music that lights up in the theatre...

What was left out concerning the action did not sound terribly

but alas not all opera composers. The problem with a full-length ballet is the assembling of what must necessarily, given the physical limitations of dancers, tend to be short sections, into a fabric that keeps the interest running high and has architectural coherence.

Since Maxwell Davies was understandably concerned for the music to stand on its own feet, he gave little information about the style of the ballet. Presumably Flindt's choreography is a fairly free form of classicism (all I have seen is a couple of rehearsal photographs showing his ballerina-wife wearing blocked shoes)...

appetising. The character of Salome has been white or perhaps pink-washed into "the over-indulged daughter of rich materialistic parents, who is driven to revolutionary desperation by their power-hungry and crassness." That, surely, comes from near the bottom of the radical-chic barrel...

St. Michael's, Highgate

Italian baroque by NICHOLAS KENYON

The opening night of the Camden Festival saw not only Mozart's Mitridate in the Logan Hall (reviewed yesterday by Max Loppert) but also a Kodaly/Bruckner concert by the Camden Choir in Primrose Hill...

The main work was the curiously entitled "Messa di Gloria" by Vivaldi. Hopes that this might turn out to be Vivaldi's one complete Mass Ordinary setting (588 in Ryon's catalogue, preserved in Warsaw) evaporated on sight of the score: it was simply a juxtaposition by an American editor of the G minor Kyrie (Ryon 537) and the lesser-known Gloria (RV588)...

lack of crisp attack by the enthusiastic Highgate singers, though the vivid colours of Vivaldi's writing (especially the rippling semiquavers of "Et in terra pax") came across well. Penelope Walker shone in the non-liturgical introduction to the Gloria—a show-off motet troping the Gloria in excelsis text, presumably a substitute for a celebrant's intonation.

Brian Wright, who conducted, did not make the most of the continuity between Vivaldi's short movements, and the same fault turned Antonio Bononcini's powerful Stabat Mater into a less-than-dramatic sequence of arias and choruses, marred by long pauses and endless sit-stand-sit routines. This imaginative setting of the

medieval hymn had had a raw deal: the recent recording (Argo ZRG 850) perpetrated many of the confusions between Antonio and his brother Giovanni (Handel's rival in London), giving him the wrong date of birth (it was 1677, not 1675) and attributing Giovanni's opera Il trionfo di Camilla to him. Camden could scarcely be blamed, then, for repeating the legend (though the facts are clearly set out in the New Oxford History of Music, Volume 5)—but one might have expected from this group a livelier response to stylistic characterisation. As it was, a good sing in the English tradition. Other soloists: Nicola Jenkin, Robert Chilcott and Richard Stuart.

'Telford's Change' author's new play

Peter Barkworth, Hannah Gordon, Stephanie Beacham and Edward Hardwicke will star in Brian Clark's new play Can You Hear Me At The Back? The play, which is designed by Carmen Dillon with lighting by Robert Ormby, is directed by Barry Davis. It will open at the Theatre Royal, Brighton on April 9 and will then visit the Theatre

Royal, Bath, on April 16, the Devonshire Park Theatre, Eastbourne on April 23, and the Richmond Theatre Royal on April 30. The play will open in London in mid-May. Brian Clark is the author of the play Whose Life Is It Anyway? currently playing at the Savoy Theatre, and the recent television series, Telford's Change.

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ICA Theatre

Hanns Eisler—2

by DOMINIC GILL

I reviewed the first of the two enterprising retrospective concerts of Hanns Eisler's music, both devised and directed by the composer and Eisler-pupil David Blake, on this page last Friday. It is not an easy task in any circumstances to give a comprehensive picture of the work of this intriguing and versatile, and much-neglected, composer, but with very limited resources the task is nearly impossible.

For example, as well as the Lehrstück generally acknowledged as Eisler's masterpiece, Die Massnahme. The second Eisler programme, given at the ICA on Sunday night, was still more restricted in its view than the first at St. John's last week—a couple of pieces, but neither of special importance, and the weight of sequence of songs and miniature "cantatas" with one, two or four instruments. The centrepiece of both concerts was the soprano Roswitha Trexler, whose bright, attractive voice lacks some of the darker, smokier tones, and sometimes also the weight to project them—but whose lively manner and intelligent delivery were nonetheless real pleasures.

Schoenberg. On Sunday she gave another significant early work, the Palmström-Studien op.3 (later re-issued "Parodies") for sprechstimme and Pierrot ensemble minus piano and bass-clarinets—a veritable miniature Pierrot Lunatic, homage to his mentor, but subtly and imaginatively worked, in no sense a facile pastiche. Three of the nine little Cantatas which Eisler wrote while staying with Brecht in Finland in 1937 were scored for two clarinets, violin/viola, and cello—mournful combination, used with point in the Kantate auf den Tod eines Genossen, and with lively irony in the trenchant Römische Kantate to a text from Ignazio Silone. A group of six Brecht songs with the pianist John Tibbitt were less distinguished, less mordant—the single exception a setting of "Mutter Beethoven" for voice and solo clarinet, weirdly limping, surreal and very strange.

Elizabeth Hall

Cleveland Quartet

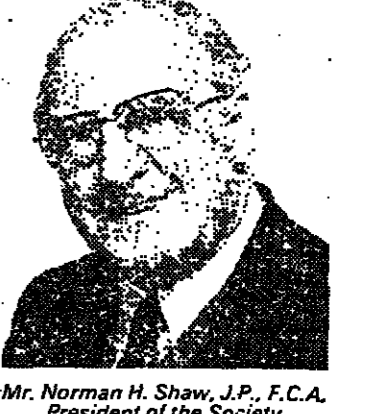
by NICHOLAS KENYON

Like many others, I was bowled over by the Cleveland Quartet when I first heard them. The intensity and coherent power which they brought to the masterpieces of the 19th-century repertoire (one recalls particularly Schubert's Death and the Maiden) made one overlook points of imbalance and under-characterisation in the playing. Later, when they turned to Beethoven, satisfaction was less easily obtained: classical argument required more of a sense of proportion than their continually forward-moving, almost relentless performances provided.

Hall, one heard both the best and worst of their approach. Internal balance is, I think, much improved: the powerhouse of the quartet is still the violinist Martha Strougin Katz (so why put her in the exposed forward position?), but the clarity of first violin and cello now matches her fierce, resilient tone. In the major work, Brahms's B flat Quartet Op 67, the familiar hard-driven style brought a splendid forthrightness and sense of purpose: both Donald Wellerstein's soaring violin melody in the slow movement and the violist's concerto-like passages in the third movement were also full of poetry.

On Sunday in the Elizabeth Hall, one heard both the best and worst of their approach. Internal balance is, I think, much improved: the powerhouse of the quartet is still the violinist Martha Strougin Katz (so why put her in the exposed forward position?), but the clarity of first violin and cello now matches her fierce, resilient tone. In the major work, Brahms's B flat Quartet Op 67, the familiar hard-driven style brought a splendid forthrightness and sense of purpose: both Donald Wellerstein's soaring violin melody in the slow movement and the violist's concerto-like passages in the third movement were also full of poetry.

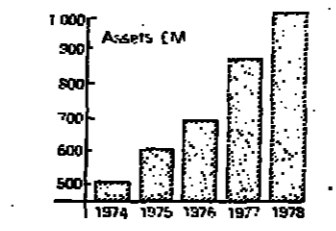
Assets exceed £1,000 Million - a real achievement. Advertisement for Bradford & Bingley Building Society.



Highlights from the President's speech delivered at the Annual General Meeting of Bradford & Bingley Building Society, held in Bingley on 19th March, 1979.

INVESTMENTS: "During the year we opened over 204,000 New Investment Accounts and received over £488 Million including interest credited from our investing members." RESERVES: "The Reserves total over £42 Million or 4.1% of Assets, one of the highest amongst the larger Societies."

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SPECIAL HELP GIVEN IN 1978: 8646 Advances, totalling £83 Million, were granted to first-time purchasers. Many National Coal Board tenants purchased their own homes through special local schemes.

Advertisement for Bradford & Bingley Building Society, including contact information and a logo.

UK COMPANY NEWS

NEWS ANALYSIS—ROCKWELL/WILMOT BREEDEN

Mining News: Noranda purchase marks revival of confidence

BY PAUL CHEESBRIGHT
NORANDA EXPLORATION, a U.S. subsidiary of Noranda Mines of Toronto, intends to re-open the Lakeshore copper mine in Arizona within the next six months. The mine was formerly owned by two U.S. companies, Hecla Mining and El Paso Natural Gas.

Losses are climbing at LKAB

BY WILLIAM DULLFORCE IN STOCKHOLM
LKAB, THE Swedish State iron mining company, made a pre-tax loss of SKr575m (£76.1m) on a SKr 1.9bn turnover last year. Sales climbed by 11 per cent but the loss is more than SKr 50m heavier than that recorded in 1977.

Pegmin strikes uranium

PEGMIN, THE Sydney exploration company, has applied for a mineral claim and an exploration licence over a site in the Eastern Yorkes of South Australia, where grab samples taken at an abandoned copper mine have revealed high uranium grades.

Oil and Gas News: Esso-BHP to expand Bass Strait production by 6%

BY JAMES FORTH IN SYDNEY
AUSTRALIA'S major oil producers, Esso and Broken Hill Proprietary plan to lift their crude oil production by 6 per cent for at least the next 12 months to help the country cope with shortfalls in supply because of the Middle East situation.

ROSS COLLINS SPRINKS HOLDINGS LTD.
The directors of Ross Collins Sprinks Holdings Limited announce the following reconstructed Board of Directors: Chairman and Managing Director M. S. ROSS COLLINS

Bids and Deals: Trafford Park buying H.T.

AGREEMENT has been reached between the boards of Trafford Park Estates and H.T. Investments whereby Barings Brothers on behalf of Trafford Park will acquire the whole of the share capital of H.T.

Lindsay & Williams and RFD agree terms

After month-long talks Lindsay and Williams, the Manchester-based electrical cable manufacturer, and RFD have reached agreement on the terms of an RFD, which makes marine and aircraft inflatable equipment and recovery systems is bidding 126p in cash per share, valuing Lindsay at £1.3m.

Royal Insurance doubles Aachen & Munich stake

ROYAL, A leading UK composite insurance group, is to extend its involvement in the West German insurance field. It has agreed with Aachen and Munich and Aachen Re, whereby Royal will increase its holding in Aachen and Munich from 10 per cent to 20 per cent.

PMA suspended—big acquisition planned

THE transformed PMA Holdings, furniture manufacturing concern, revealed yesterday that it is poised to make a "substantial acquisition." The group, headed by Mr. Malcolm Meredith, said that it had signed a conditional agreement and asked for its shares to be suspended.

Unlocking a wider market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
The Western European car market is roughly the same size as that in the U.S. Yet 25 per cent of American cars have electric windows compared with only 1 per cent in Europe, and 24 per cent of new cars in the States are delivered with centralised and powered door-locking systems against 4 per cent in Europe.

Chambers & Fergus warns

THE directors of Chambers & Fergus, seed crusher and edible oil refiners, report a turnaround from a £30,988 loss to a £100,788 pre-tax profit for the half year to December 31, 1978, on lower turnover of £451m against £321m.

JCEG LISTING SUSPENDED

CONSTRUCTION equipment group, JCEG, whose last set of annual accounts were heavily qualified by the group's auditors, has asked for its shares to be suspended, pending "clarification of the company's position."

Wereldhave withdraws from EPC battle

WERELDHAVE WITHDRAWS FROM EPC BATTLE
Wereldhave has formally withdrawn from the bidding for English Property Corporation as expected last Friday. With the consent of the Takeover Panel, the Dutch company has allowed its 56p per share offer to lapse, thereby leaving Olympia & York, the Canadian group, as its own.

Relisting for Brigray

RELISTING FOR BRIGRAY
Shares in Brigray Group were relisted on the stock exchange yesterday following the group's announcement last month that talks, which might have led to it being taken over, had failed.

Bank & Commercial

BANK & COMMERCIAL
Mr. John Birrane, the controversial former vice-chairman of

Estates & Agency

ESTATES & AGENCY
Estates and Agency Holdings had its shares temporarily suspended yesterday pending an announcement. E and G has had a chequered career. It started life as a tea company, operating estates in West Cameroon, lost its quote when these were sold in 1972 and re-emerged as a property company just as the property market collapsed in 1974.

RACAL

RACAL
Racal Electronics has completed the acquisition of 83 per cent of the capital of Microwave and Electronic Systems. Due to a typographical error the percentage was given as 33 in last Friday's report.

MEPC Limited
(Registered in England No. 420675)
placing of £5,000,000
6 1/2 per cent Convertible Unsecured Loan Stock 1995/2000

Expamet '78
1978 1977
Turnover £000's 23,587 23,154
Group Profit before Tax 2,317 2,217

The Expanded Metal Company Limited
This established business is the backbone of the Company, and will continue to be so, but it is difficult for it to grow much faster than the general economy. A substantial proportion of the growth which is the Company's objective must come therefore from new developments at home and overseas, and by acquisition.

The Expanded Metal Company Limited
The new developments fall into two categories—the establishment in the United States and Australia of businesses manufacturing products of which we have extensive knowledge, but selling them into relatively unfamiliar markets, and the development in the United Kingdom of products and processes with a high technological content that are completely innovative.

Handwritten signature: محمد بن فيصل

Companies and Markets

CURRENCIES, MONEY and GOLD

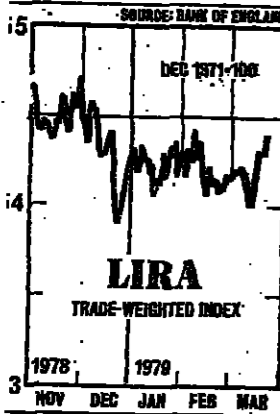
Sterling weak

Sterling lost ground in the foreign exchange market yesterday, while other major currencies showed hardly any overall change.

D-mark. On Bank of England figures, its index rose slightly to 84.8 from 84.7.

The increasing attractiveness of interest rates in Canada may have helped the Canadian dollar to improve to 88.73 U.S. cents from 88.28.

FRANKFURT - The dollar was fixed at DM 1.8648 yesterday, slightly up from Friday's level of DM 1.8628.



ZURICH - Trading remained at an extremely low level yesterday and the dollar showed little movement in the absence of any fresh factors.

AMSTERDAM - At the fixing, the dollar rose to Ft 2.0125, from Ft 2.0120 on Friday.

TOKYO - The dollar continued to show an improvement against the yen yesterday, despite heavy intervention by the Bank of Japan.

CHANGE CROSS RATES

Table showing exchange rates for various currencies including Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, etc.

RO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.25-10.45 per cent; three months 10.35-10.65 per cent; six months 10.45-10.65 per cent; one year 10.75-10.85 per cent.

Table showing interest rates for various currencies and terms.

INTERNATIONAL MONEY MARKET

European rates steady

European short-term interest rates remained fairly steady yesterday, although day-to-day they rose to 7 per cent.

three-month to 4.35-4.45 per cent from 4.40-4.50 per cent.

AMSTERDAM - Call money was unchanged, with call at 10 1/2 per cent.

BRUSSELS - One-month money rose slightly to 7 1/2-7 3/4 per cent.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies.

CURRENCY RATES

Table showing current currency rates for various countries.

CURRENCY MOVEMENTS

Table showing currency movements and changes for various countries.

OTHER MARKETS

Table showing rates for other markets including gold, silver, and various commodities.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 19, 1979.

Large table showing world value of the pound in sterling for numerous countries and currencies.

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa 1 Rupee per pound. 1 General rates of oil and iron exports 84.987. **Based on cross rates against Russian rouble. ** Rate is the transfer market (controlled). If Rites is now based on 2 Barbados to the dollar. ** Now one official rate. (U) United Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

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General Consolidated Investment Trust Limited

Advertisement for General Consolidated Investment Trust Limited, including directors' names and performance statistics.

K MONEY MARKET

Extremely large help

Bank of England Minimum Lending Rate 13 per cent (since March 13, 1979)

by the second call on Exchequer 10 1/2 per cent 1987, repayment of the large amount lent to the houses on Friday.

and ranged between 12 1/2 per cent and 13 1/2 per cent before easing to 12 1/2 per cent at the close.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority rates range from 11 1/2-12 1/2 per cent; four years 12-12 1/2 per cent; five years 12 1/2-13 per cent.

MONEY RATES

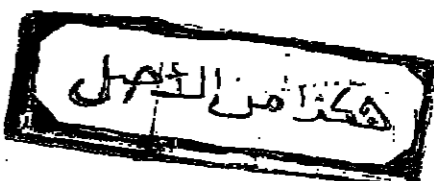
Table showing money rates for New York, Germany, and France.

JAPAN - Call (Unconditional) 4.25; Citi (Unconditional) 4.25; Bank Discount Rate 4.25.

BE ON TIME WITH THE SPEAKING CLOCK advertisement featuring a cartoon character.

FINANCIAL TIMES SURVEY

Tuesday March 20 1979



Scottish Banking and Finance

The major Scottish clearing banks have to maintain a widespread branch banking system to serve the country's rural community. Partly because of the high cost of doing this, and because of growing competition from the savings banks, they are now looking at ways of reducing their expenditure.

A close look at costs

Ray Perman
Scottish Correspondent

A year ahead for the three Scottish clearing banks, the Bank of Scotland, Bank of Ireland and the Clydesdale, is to be characterised by assault on costs. With a level of lending subject to increasing restriction and the pressure for manoeuvre on margins charges limited by competition there is no other way to find profit levels.

movement. Between them, the three banks now support more than 1,500 branches. To some extent the geography and population distribution of Scotland makes this inevitable. Rural communities have to be served and all three banks have a good reputation for maintaining branches in remote areas, although in some cases this can hardly be profitable. However, in the cities and major towns it is still possible to see two or three banks belonging to the same company within a few yards of each other.

The Royal Bank has closed about 120 branches since its last merger in 1969, mostly as a result of amalgamations, and has opened 20 new ones in places where it was previously unrepresented. The Bank of Scotland has been following a similar policy and has nearly reached the end of its rationalisation programme.

But there is a limit to what can be done to improve efficiency merely by manipulating property and the banks are increasingly looking at ways of improving the profitability of the branches themselves. All three are now investing heavily in electronic equipment, both to improve administrative efficiency, for example, by faster cheque clearing, and to help increase and speed up customer business without increasing staff.

The Royal led the way with its Cashline machines, which offer a range of banking services and are operated by plastic cards issued to customers. In the first year of operation nearly 45,000 cards were supplied and the bank now has about 35



The head office of the Scottish Widows' Fund and Life Assurance Society in Edinburgh

machines installed. The Clydesdale has computerised equipment in 29 of its branches, which allows customers to make transactions without signing cheques.

The Bank of Scotland held back from the electronic revolution, but is now pressing ahead. "We took a long time to be convinced, so that we missed the first generation of autotellers and are now going for second generation machines," says Mr. John Wilson, the bank's joint general manager. "We are wholly convinced now."

But parallel to this automation has to go an attempt to persuade Scottish bank customers to change their habits. To attract business from the savings banks, the clearers allowed deposit accounts to be used as quasi-current accounts, with frequent withdrawals in cash. Accounts used in this way are expensive to administer and attract no charges.

There will also be a new look at how much customers should be asked to pay for their banking services. The Price Commission report on charges last year showed that the Scottish banks derive less of their income from charges to customers than do the English clearers and that the proportion of their income from this source

has been dropping. In 1972 the three Scottish banks received 7.2 per cent of income from charges and 83 per cent from interest. The disparity increased during an intense period of competition between the banks in 1972, but, despite some readjustment, is now considerably wider than it was seven years ago. More than 90 per cent of revenue comes from interest and only 4 per cent from charges. The corresponding figures for the big four clearers are 87 per cent and 6.5 per cent.

Since the report, charges have been raised, although the Clydesdale still offers free banking on any current account kept in credit. Higher margins this year will, perhaps, encourage the banks to put off the problem, but it is one which they know they must come to grips with in the end—and independently, since the Price Commission also frowned upon the practice of agreeing through the committee of Scottish Clearing Bankers charges for local authorities and for special services such as night safes.

Yet, while encouraging the banks to make more realistic charges, the Commission also added to the Scottish clearers' costs. It pointed out that Scottish banks, again by agreement

between themselves, were closed at lunchtimes for four weekdays, whereas the English clearers were not. In response to this criticism lunchtime opening is now being tested in a selection of branches in the major cities, but so far neither the banks nor the National Union of Public Employees is willing to say whether the experiment will become a permanent change.

Staff costs now account for around three-quarters of all bank costs. "We have managed to keep numbers of staff static for some time, but to talk in terms of reducing costs in absolute terms is almost unachievable," comments Mr. Bruce Patullo, deputy treasurer of the Bank of Scotland. All eyes are now on the negotiation with NUBE for the new pay settlement due to come into force at the beginning of next month.

The Price Commission also gave figures for the return on capital for the three Scottish banks, and it is interesting to compare these with the returns for the big four. Adjusted for inflation, the return fell from 8.3 per cent in 1972, to a low point of a 1.1 per cent loss in 1975, recovered to 5.3 per cent in 1976 and was 4.3 per cent in 1977.

For the English banks margins have fallen much more steeply: from well over eight per cent in 1972 and 1973, the return fell dramatically to losses of 1.3 per cent in 1974 and 4.7 per cent in 1975. The recovery was to three per cent in 1976 and 2.5 per cent in 1977.

Only two of the three Scottish banks have reported so far for 1978. The Royal turned in an operating profit of £28.2m for the bank and its subsidiaries.

at a 17 per cent drop on the 1977 figure of £34.1m. The chairman, Sir Michael Herries, pointed to the 14 per cent rise in operating costs through the year and the fall in average base rate from 10.72 to 7.85 per cent. The Royal suffers in comparison with the other clearers from its earlier year-end date, meaning that this year it will not benefit from the recent hoisting of interest rates which will benefit its competitors.

The Clydesdale—100 per cent owned subsidiary of the Midland—has released its preliminary figures but will not comment in detail on them until the full report is released. Trading profit was up by 48 per cent from £14m in 1977 to £20.7m. To some extent the size of this increase reflects the Clydesdale's late start in international business, which made big contributions to the profits increases of its rivals a few years back.

Until recently the Clydesdale relied on its parent bank for its currency dealing, but has now formed its own international division. Nevertheless, its recent performance is impressive, profits having nearly doubled in three years.

The Bank of Scotland does not report until next month. Its interim figures for the first half, released in September, showed a downturn of 4.4 per cent to £13.3m compared to the corresponding period in 1977, but the full year figures should reflect the improved margins since then and improved contributions from its two principal subsidiaries, the Merchant Bank, British Linen, and the finance house, North West Securities.

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BNP in Scotland

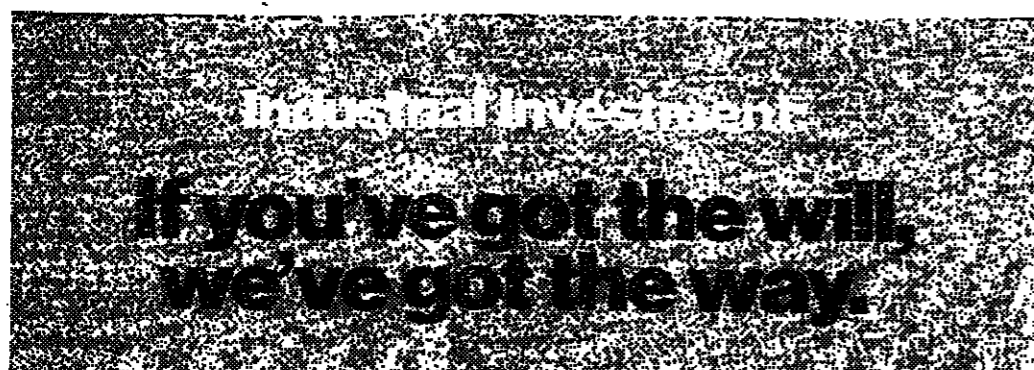
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Finance houses active

IN SPITE of the traditional Scottish reluctance to fall into debt, finance houses in Scotland have done rather well in recent years. And this irony, in a country renowned for its propensity to save, is indicative of a variety of economic and social changes north of the border.

During the past four years Scotland has provided the finance houses with a fertile market, and all of the leading companies have active branches there. The Scottish banks have not failed to recognise the significance of this market and the three Scottish clearers, the Royal, the Clydesdale and the Bank of Scotland, are all closely linked with finance houses.

Close

The Royal has nearly 40 per cent in Lloyds and Scottish (as does Lloyds Bank); the Clydesdale has close associations, through the Midland Bank with Forward Trust (both are wholly-owned subsidiaries of the Midland); and the Bank of Scotland has its own finance house in North West Securities.

Both the Royal and the Bank of Scotland have benefited substantially over the past few years from the profits contributions of their finance houses, whose earnings tend to be counter-cyclical to those of the banks. When rates are low, the finance houses do well, helping to compensate for the effect of reduced margins on bank profits.

The big four London clearers have also gained a foothold in Scottish finance through the finance houses, which were widely represented north of the border before the clearers themselves began to open Scottish offices.

Indeed, when the wide range of competitors facing the associates of the Scottish banks is considered, one begins to wonder if Scotland is big enough to support all these services. The answer, not surprisingly, is no: there are very few, if any, finance houses of any scale with



A special Land-Rover used by the Bank of Scotland for meeting clients at Sullum Voe oil terminal

operations limited solely to Scotland. However, there can be no doubt that, to some extent, the "Conny Scot" has forsaken the habits of generations and turned to credit as a means of achiev-

ing a desired standard of living. Throughout Britain, finance houses derive about 40 per cent of their business from the consumer side of the trade. The rest comes from industrial clients. Although separate figures are hard to come by, it seems the split in Scotland is about the same. One expert suggests that on last year's performance the consumer market in Scotland is worth about £100m a year, and the industrial market twice that figure.

Shift

On the consumer side there has been a noticeable shift in the part of middle-class consumers to buy cars, caravans, and home improvements through credit, hence the move last year by North-West Securities to buy a stake in the Henleys garage chain. The acquisition, which is already reflecting in the profits of the parent bank, not only gives North West an easier entry into the vehicle financing market, but also enables it to extend its base from the South of England, where Henleys has most of its outlets. North West traditionally has been strong in northern England, where it has its headquarters.

However, competition for these clients is extremely fierce and this sector, while still highly profitable, is clearly in danger of suffering from an element of over-supply.

On the industrial side, many of Scotland's traditional industries are struggling to survive, but the finance houses say they continue to perform a valuable service for those industries which have good prospects. One of the very important rules in financing industry and commerce is that clients should be chosen with great care. Finance houses will not give credit to anyone, and company's books and prospects are studied closely

before a decision is made. In short, in a relatively high-risk business, the trick is to minimise the risk.

Undoubtedly, the performance of Scotland's economy in the years to come will have a crucial influence on the fortunes of the finance houses in Scotland. Industrial clients highlight the weakness of the Scottish economic structure. They need the finance to re-equip and revitalise their businesses, but to get the credit they have to convince the finance houses that they are able to meet the payments.

On the other hand the finance houses have to make sure that if a client goes under they can salvage something from the wreckage. This is not always a mix which inspires confidence.

One field which might provide a base for expansion is micro-electronics. The heavy dependence of industry and business on computers is almost a cliché but, according to one leading finance house, comparatively fewer computers are leased or purchased through credit in Scotland than in England. Scotland apparently, is catching up, but there is still some way to go.

However, in a tight market, the finance houses will have to fight hard both among themselves and with the banks to maintain their respective positions. The conventional wisdom suggests that the shift to credit in Scotland has been caused by inflation. Nominal interest rates may be high, but in real terms, so the argument goes, finance house money has been cheap.

This still does not explain why the finance houses have enjoyed increasing popularity. The banks, after all, will provide loans at similar cost, and in addition, the banks say their customers in Scotland tend to be very loyal and therefore unwilling to go to strangers for finance. The finance houses say their services are more flexible

and as a result the client more likely to find a scher which suits both his needs and his ability to repay.

In addition, they believe that once a client has become used to a finance house and its terms, he is likely to continue to use the system. The loyalty is both ways.

One question often asked Scottish finance houses concerns their involvement in North Sea oil. Many people south of the border believe that suddenly, Scotland is an rich in opportunities for financing ventures which will

benefit from the oil boom in the east. This is not always the case for while Aberdeen and environs continue to enjoy many of the financial and economic benefits of oil, it very big customers are unlikely to go to finance houses in Scotland for backing. These large companies are usually high-liquid, have strong cash flows, or have arranged finance in London, Houston or New York.

Risk

Local finance companies are left with the smaller-scale operator who carries a fairly high risk compared with the Essos BPs and Shells of this world. Still, the finance companies have provided essential backing for many highly-successful companies associated with oil, and this is one sector of the Scottish economy in which the benefits of rapid and efficient service allied to adventurous management have been clearly illustrated.

The finance houses do have a future in Scotland, but it is essential that Scottish industry and business provide them with a sufficiently rich soil in which to grow, as the oil sector has done already.

Alan Shaw

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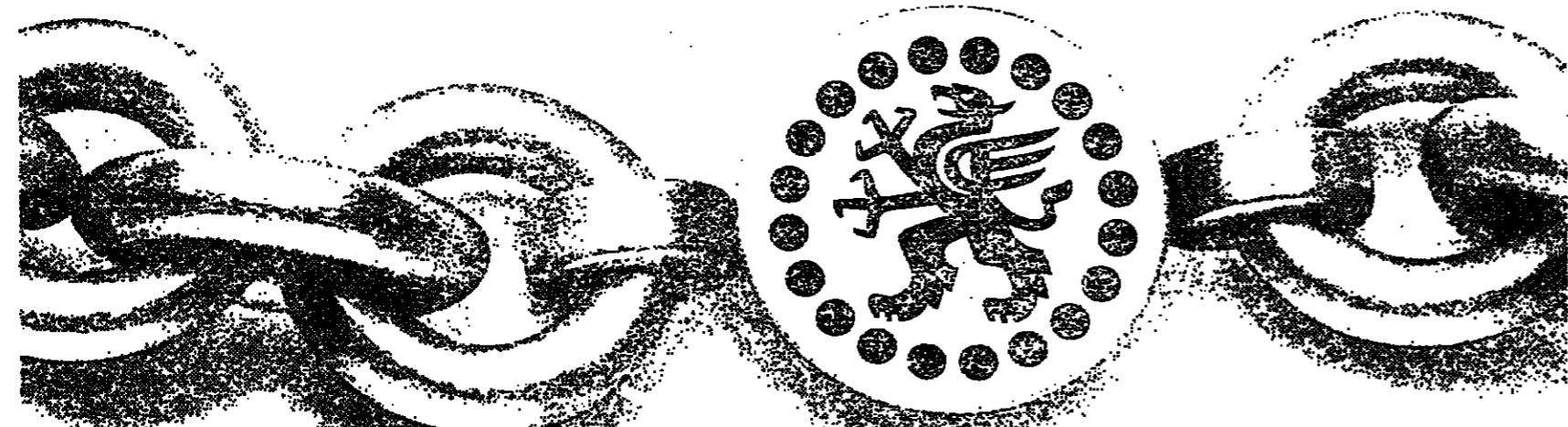
with the company, making the best possible use of the wide range of Group services. Mr Macleod also has links with the Midland Bank Group Oil Adviser and his team.

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Midland Bank

Merchant banks play it quietly

A BANKER rebuked me the other day for being too credulous and reminded me that a journalist should be as sceptical about what bankers tell him as banker should be about what he reads in newspapers.

It is as well to start with that qualification when considering the merchant banking scene in Scotland, since there is very little in the way of objective evidence. Most of the institutions in the field are subsidiaries of large UK or foreign-owned banks and their Scottish figures are lost without trace in the annual statements. One is left in the end with impressions, and what people choose to tell: whether one believes them or not is a matter of choice.

If Scottish merchant bankers are to be believed, then everyone is doing well, despite intense competition, climbing interest rates and a generally depressed economy. No one has anything spectacular to report, but everyone is ticking over quite nicely.

This sounds implausible. Scotland has only a limited industrial base and it has attracted more than its fair share of banking attention in the last few years. It would seem reasonable to expect one bank or company

to be squeezed out, but so far this has not happened.

One explanation could be that although Scotland has a wide range of banks, they are not all competing with each other. There may be 37 institutions supposedly offering merchant banking services, but it is ludicrous to think that they are all battling for the same type of business. The market is in fact very neatly carved up.

Alternative

According to Mr. Paddy Thompson of Glasgow and Fife, Glasgow, which has an office in Glasgow: "None of the London banks up here could possibly offer the whole range of merchant banking services, including money market and corporate finance. We each have something we are particularly good at and we concentrate on that. The end result is that Scotland gets the complete range of banking, but not from the same company."

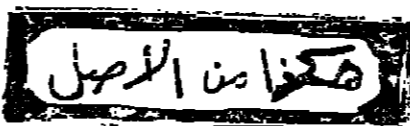
The market is divided up, not only according to expertise, but also by areas of operation. At the top end, blue chip public and private companies tend to

be the almost exclusive preserve of the London accepting houses, although they may have occasional recourse to a Scottish bank for a specific piece of local knowledge, or to an American bank for a particularly attractive financing package.

Below this, however, there are still many small and medium-sized companies with excellent records which can and do benefit from the services of a banker with particular experience in industrial lending or some aspect of investment or corporate advice. Until relatively recently this sector was hardly served at all, and even now the field is hardly overworked.

The British Linen Bank is the largest working this year and, in the past year, has been strengthened by its parent, the Bank of Scotland. It offers perhaps the widest range of services of the indigenous Scottish merchant banks, being able to provide not only corporate advice, but also larger loans than might be met by other local banks from their own resources, leasing and the ability to place investments through its associated company, Melville Street Investments.

CONTINUED ON NEXT PAGE



Insurance enjoys a good year

THIS YEAR was a good year for the UK life assurance industry in both the life and the non-life fields. New annual premiums were 28 per cent higher, while single premiums rose by 6 per cent. But it was an even better year for the Scottish-based life companies, which at present account for about one-sixth of the business transacted by life companies in the UK. Almost all the Scottish companies recorded much higher increases in new annual premiums than the industry average, a feature that has been present for at least the past few years.

Standard Life, Scotland's largest life company, recorded a 30 per cent increase in annual premiums, on individual life policies and a 38 per cent rise in group business. On the non-life premium side, the company had a 42 per cent jump in individual business and a 57 per cent increase in group policies.

Scottish Widows saw a 33 per cent jump in annual premiums, though single premiums aimed at the 1977 level. But the company recorded a three per cent rise in premiums on its group business. Scottish Equitable had a 48 per cent rise in annual premiums, a decline in single premiums. Scottish Provident recorded a 20 per cent rise in group business, but a 44 per cent rise in individual business, a 32 per cent rise in overall annual premiums.

Scottish Mutual had a 38 per cent jump in annual premiums, a 20 per cent rise in single premiums, while the Scottish Widows recorded the excellent 70 per cent and single premiums being doubled.

The Life Association of Scotland, the only proprietary life company based in Scotland, a member of the group - Nederlanden NV, showed a 50 per cent rise in annual premiums. The one per cent drop in this picture is the performance of Scottish Amicable. New annual premiums were only 13 per cent higher and single premiums fell an 8 per cent advance. The company had a very

successful year in 1977 when the rest of the industry had very dull new business figures, so Scottish Amicable held its position during 1978. Premiums on its managed pension fund were 55 per cent higher.

Conditions for new life and pensions business were extremely favourable last year. The new State pension scheme started on April 5, 1978 and its introduction provided a tremendous boost to pensions business.

This new scheme introduced the framework of universal earnings-related old-age pensions. But employers had the option to contract-out of the earnings-related part and provide this portion of pension through a company scheme. In the event far more employers and their employees preferred to rely on the Scottish life companies (and the English ones as well) rather than the Government for their pension. The number of employees contracted-out well exceeded all official estimates.

The net result was an upsurge in group pensions business with the Scottish life companies as their existing schemes were improved to meet the contracting-out requirements and other companies took out new schemes. Standard Life, one of the leading pension companies in the UK, reported a tremendous enthusiasm to contract-out. This company was one of the leading critics of the State scheme as it was originally proposed and was instrumental in getting many of the defects put right.

Scottish life companies have long been noted for their investment expertise. More pension funds have sought to use this expertise for their investment management through the medium of unitised managed funds. There has been considerable growth in contributions paid into these funds. The funds managed by Standard Life have grown to nearly £200m, those of the Scottish Widows to over £150m and the Scottish Amicable to £72m. The desire by many pension funds to be more involved in investment management and to identify their assets is likely to result in a further growth in the use

of these funds.

The introduction of the new State scheme highlighted to the self-employed the inadequacy of their pensions from the state. Not surprisingly, there was a strong upsurge in sales of self-employed pensions making use of the favourable tax treatment given to such contracts.

Standard Life, Scottish Amicable, Scottish Life and the Life Association of Scotland made a big effort to get into this market a few years ago, redesigning their plans and having competitive bonus rates. Scottish Life doubled its sales last year, while Scottish Amicable with its flexi-pension product has become a leader in this field. Scottish Mutual also doubled its business in 1978, while Scottish Widows, Scottish Equitable and Scottish Provident have always been strong in this field.

Advantages

The tax planning advantages of executive pension schemes really became widely known last year. Consequently the numbers of individual pension arrangements sold was a record. A pension scheme is the most tax efficient means of passing assets from the company to the executives and the potential of this market is just being realised. The reputation of the Scottish life companies and their bonus records resulted in a bumper year.

The buoyant house purchase market last year resulted in sales of life policies used to repay mortgages advancing considerably on the 1977 levels. Since the life companies, both Scottish and English, devised the low cost, bonus reinforced plan, the use of endowment assurances to repay mortgages has grown. The bonus records of the Scottish companies puts them in the top life companies for these types of plans.

The use of life assurance for individual savings remained comparatively static, with only marginal growth. To be tax

efficient, the minimum investment term is 10 years, too long a period for most investors these days. The companies prepared to sell flexible endowments, Scottish Provident was the pioneer in this product, are still seeing a certain amount of straight savings business.

The outlook for 1979 looks far less favourable, at least in theory. The house purchase market is expected to be comparatively dull. The group pensions market is not likely to expand in terms of new companies taking out schemes. There is a limit to the numbers of self-employed and executive plans that can be taken out.

But Standard Life and Scottish Equitable, two of the companies which have so far reported their results, have stated that surprisingly business is well up on the corresponding period for 1978. The self-employed and pensions market is still buoyant. There is still much to be done in the provision of topping up the State benefits on those employers which stayed with the State scheme. Although it is still early days, these two companies are cautiously optimistic for this year.

The 1978 results for General Accident, Scotland's only composite insurance group, were better than expected with an underwriting profit of £1.1m against a loss for each of the previous five years. The company, in common with other insurers, suffered heavily on its UK householders account with losses of £4.75m because of the storms at the beginning of 1978. But this was more than offset by the recovery in the U.S. with a profit of £4.9m. GA is the largest motor insurer in the UK, in which, although it showed a loss last year, the company was able to hold its premiums rates steady for 12 months before increasing them by 12 per cent on February 1, 1979. Ironically, the life business of GA is based at York.

Eric Short

هكتامن الشهر

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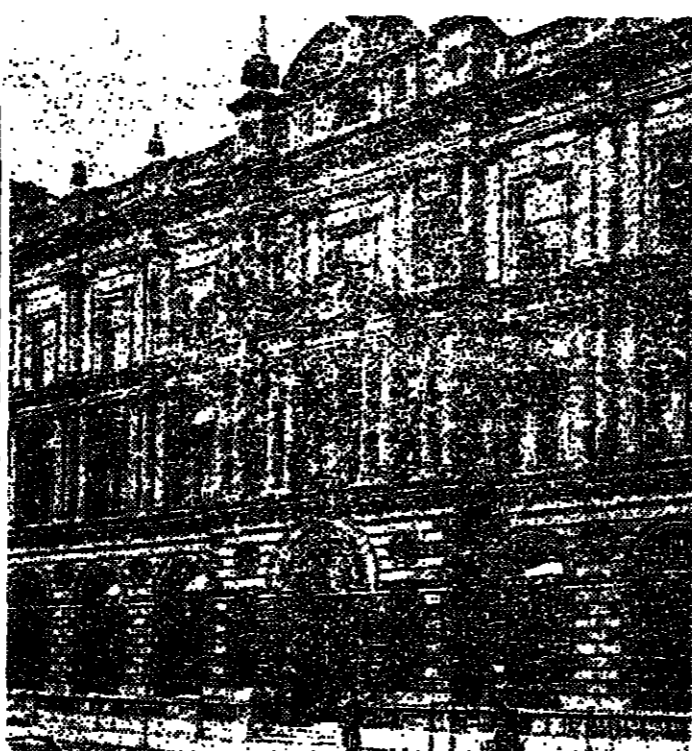
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The Clydesdale Bank's head office in Glasgow

Merchant banks

CONTINUED FROM PREVIOUS PAGE

Since its formation out of the former Bank of Scotland Finance Company two years ago, British Linen has grown rapidly and is now expanding with a City of London office.

Mr. Ian Brown, chief executive, said: "In spite of everything that has been said about the desirability of being a Scottish-based merchant bank, we find it very difficult to draw a line at the Scottish border, already a large proportion of our business is done in London and the alternative to opening a new office is a constant stream of people moving backwards and forwards."

The new office should open in mid-July, with a staff of ten under a bank director. It will be linked by on-line computer to the head office in Edinburgh. British Linen's figures will be released after the parent bank reports next month, but Mr. Brown forecasts an increase on last year's £3.1m pre-tax (1977 £1.9m).

Noble Grossart, the other major Scottish merchant bank, has already reported for this year and, for the tenth successive occasion increased its profit. This year's rise, from £1m to £1.1m pre-tax, was due in part to an unexpected increase in the revenue from what might be called pure banking functions.

Noble Grossart has tended to play these down in the past, preferring to rely on its abilities in the field of corporate advice and considering itself a UK institution which just happens to be based north of the border, rather than a parochially Scottish bank.

As Mr. Angus Grossart, the managing director, comments in its annual statement, the ten-

year record of progress is an unarguable measure of the bank's strength, although its reputation for corporate advice has taken (perhaps unwarranted) knocks over the offer for sale of Caledonian Holdings - on which it advised the former owners, Stenhouse Holdings - and its involvement with North Sea Assets, of which it was at one time a joint manager.

The corporate advisory field is still one in which there is scope for expansion in Scotland, and one company has been formed recently to fill a gap in that market. Edinburgh Financial and General Holdings was founded by Peter de Vink, formerly a fund manager with Ivory and Sims, but always more interested in bringing together opportunities and entrepreneurs, than with the straight placing of funds.

He said: "I have no ambitions to be a full-scale merchant banker just to get a few people together who can help to create wealth. Investment trusts are very keen to find small successful companies in which to invest. There is no shortage of funds; the trick is to find good companies."

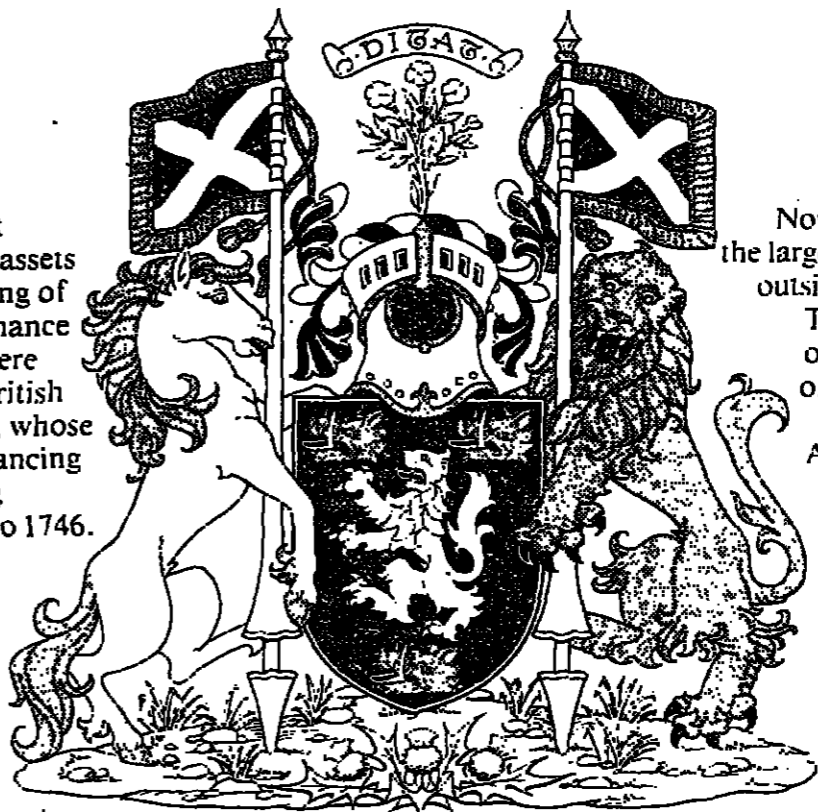
Other Scottish merchants also have yet to report for 1978. James Finlay, the Glasgow-based subsidiary of the trading and industrial group, reported a loss of £328,000 for 1977, although this was a result of a £1.2m provision against general advances. However, McNeill Pearson continued its profit growth last year with £90,000 before tax in the 12 months to March, 1978, compared to £72,000 the previous year.

Ray Perman

British Linen Bank.

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International Division:
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Overseas Branch:
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Lombard North Central:
Branches throughout Scotland

National Westminster Bank Group

Uncertainties in the economy

HERE'S A conundrum: if the boom in the Scottish economy is over, why are the banks moving in again and why is there such interest in the Scottish financial scene?

On one hand we have the dire predictions from the economists. Last year was relatively good north of the border. A consumer boom, brought about by a rise in average earnings of 13-14 per cent, a slight fall in the rate of inflation and some tax cuts, combined with a resurgence of activity in the North Sea and a marginal improvement in the terms of trade to boost industrial performance, reduce unemployment and bring about a general sense of well-being (at least among those lucky enough to have jobs).

But can it last? The universal opinion seems to be no. The Fraser of Allander Institute at Strathclyde University, in its latest quarterly economic commentary, foresees a deterioration in the Scottish economy. The gains that were made last year have been eroded by a return to industrial action and the high rate of wage settlements so far this year. Investors' confidence has been reduced, production has been interrupted and export opportunities are being lost, it maintains.

Professor Donald MacKay of Heriot Watt University takes a similarly pessimistic view, albeit from a different standpoint. Monetary and fiscal policies at variance with each other are squeezing company profits and forcing up interest rates to an uncomfortably high level, he says. Only the relatively good performance of the pound (largely due to the weakness of the dollar) and North Sea oil revenues prevent things from being worse. Even so, industrial investment will tail off markedly after present commitments have been worked through.

Modest

And Mr. Grant Baird, economist of the Royal Bank of Scotland: "... price inflation will accelerate, economic growth will slow down, even from its present modest rate, and it appears certain that unemployment will start to rise again. The events of the past few months and the immediate prospect only serve to emphasise the importance of squeezing inflation out of the system through a range of measures. Monetary policy alone is not enough and a recovery that is—unlike last year's—sustainable will have to await success on

SOME LEADING SCOTTISH TRUSTS

	Total assets less current liabilities (£m)	Net asset value nominal (£)	market (£)	Annual dividend (£)	Investment—currency premium
Alliance Trust	161.0	300.6	309.1	7.1	33.1
Scottish Investment Trust	133.4	140.1	144.2	2.56	15.0
Scottish Mortgage and Trust	131.1	138.3	138.8	3.3	16.8
Scottish United Investors	118.3	106.6	108.6	1.6	16.2
Edinburgh Investment Trust	96.3	301.1	316.4	6.73	23.2
Scottish Western Investment	83.8	135.7	140.8	2.3	21.9
Scottish National Trust	78.9	215.0	218.6	3.45	26.6
Clydesdale Investment Trust	75.3	109.6	113.4	1.675	18.2
Monks Investment Trust	65.2	70.9	71.6	1.6	7.1

Source: Association of Investment Trust Companies

ANALYSIS OF BANK ADVANCES

	1975		1976		1977		1978	
	Aug	Feb	Aug	Feb	Aug	Feb	Aug	Feb
Scottish clearing banks, total	1.66	1.70	1.84	1.94	2.08	2.22	2.37	2.52
by sector:								
Manufacturing	0.41	0.41	0.43	0.47	0.50	0.52	0.53	0.55
Other product'n	0.30	0.30	0.34	0.34	0.40	0.44	0.45	0.45
Services	0.48	0.50	0.55	0.60	0.64	0.70	0.70	0.70
Financial	0.22	0.23	0.24	0.25	0.22	0.23	0.23	0.23
Personal	0.25	0.25	0.29	0.29	0.32	0.34	0.34	0.34
All banks in UK, total	30.0	30.1	32.7	35.2	37.7	38.0	41.4	41.4
Scottish clearing banks, each sector as a % of total								
Manufacturing	24.8	24.1	23.2	23.9	23.6	23.5	22.7	22.7
Other product'n	18.4	17.9	18.3	17.5	19.2	19.6	20.6	20.6
Services	28.9	29.5	29.8	30.8	30.7	31.5	32.6	32.6
Financial	13.0	13.6	13.0	12.7	10.5	10.1	11.0	11.0
Personal	14.9	14.9	15.3	15.1	15.7	15.4	16.6	16.6
Scottish clearing banks as a % of all UK banks	5.5	5.6	5.6	5.5	5.5	5.7	5.7	5.7

the inflation and wages front." But on the other hand, there is a continuing interest in Scotland by foreign banks (an Irish bank has opened in Glasgow in recent months and two more Americans have joined the long list already operating from Edinburgh) and a far from gloomy view of the year ahead from those institutions already in Scotland.

The answer to the riddle is, of course, that what appears a paradox is not in fact one at all. The economists are speaking in generalisations of an economy heavily influenced by national and international trends and policies and handicapped by an outdated industrial structure. In terms of aggregated figures, it takes a lot of new private foundries to make up for the loss in steel production from the closure of one large (albeit out of date) open hearth works; it takes a lot of new high-technology, capital-intensive electronics plants to compensate for the loss of jobs from, say, Singer's decision to make 2,000 people redundant at Clydebank. Goodyear's decision to close at Drumchapel, or SKF's decision to shut its factory at Irvine.

Yet break those figures down and it is possible to see why the specialist bankers at least can still see exciting possibilities in Scotland. Their job, after all, is not to be swept along with the tide, but to pick out those companies and industries which are moving against the current. If they are even half good at it, they can still do it with ease. A recent survey of Scottish registered companies, for example, showed that profit margins were ahead of those for the UK as a whole. The top foreign-owned companies were making 9.65 per cent on turn-

over, public companies 8.61 per cent and private firms 7.94 per cent. Similarly, Scottish firms were among the leading exporters in Britain, with the top ten foreign owned firms selling half their output abroad, and the top 20 quoted companies selling an eighth of their production. The special factors which made Scotland attractive a few years ago have, it is true, changed. The North Sea is not the Klondyke that it once was, with gigantic profits to be made by those bold enough to take the risk. But people who write it off as now in its "mature phase with stolid, unexciting maintenance having taken over from the more demanding and

expensive exploration and development phases, overlook the fact that there are about a dozen fields on which development work has either just started or has yet to begin. If all the projects now planned go ahead some \$100 million will have to be spent on them over the next few years, and much of it, judging by past experience, will find its way into the pockets of companies based in Scotland. For the banks and other financial institutions the opportunities are legion. The biggest will take a share in field financing (and at least two substantial syndicated loans are likely to be raised in the coming year), those further down the scale will finance anything from platforms and modules to supply boats and drilling gear.

There are other attractions. An earlier known resource than oil is attracting electronics companies to Scotland. The high reputation of Scottish education—and particularly that of the four Edinburgh and Glasgow universities—is one of the factors responsible for the large build-up of advanced-technology industry. The central lowland belt now boasts a larger concentration of electronics companies than anywhere in Britain other than south-east England.

Competitive

It is a fast growing industry—annual production growth figures of 20 per cent and more are not uncommon—and an intensely competitive one with an insatiable demand for new investment. Visit a selection of the top names at random and you will find them either committed to new capital projects or considering them for the near future.

Apart from a few well-known British names (Ferranti, Macconi etc.) U.S. companies predominate and they have a reputation for favouring local banks when looking for new capital. "The local management is far enough removed from the parent company to have financial autonomy, whereas—UK firms with subsidiaries in Scotland tend to retain financial control at head office," says Ian Brown, chief executive of the British Linen Bank. "U.S. companies have always provided a lot of lucrative business for Scottish banks."

And so it goes on. There are other industries doing well and with a bright future: chemical pharmaceuticals, some aspects of precision engineering, specialist steel-making—the list is not exhaustive, for those willing to look there are others left to find.

Other than on the industrial scene, the year ahead looks less certain. Consumer spending—in line with national patterns—should remain at a relatively high level for at least a period until the effect of high settlements is eroded by a free climb in the rate of inflation and possible budget restrictions next month. Interest rates have fallen slightly from their crisis levels of last month, but are likely to remain high for some time and lending is likely to remain subject to some form of restriction. But in an election year with more than a chance of a change of Government, we can say what the future will bring?



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WORLD STOCK MARKETS

Companies and Markets

Oil issues lead a fresh early Wall St. advance

Indices

NEW YORK - DOW JONES

INVESTMENT DOLLAR PREMIUM... \$2.60 to 41-76 1/2 (78 1/2)...

reported that U.S. personal income rose 0.6 per cent in February after a 0.3 per cent January gain...

CS221 after announcing that initial drilling at its Primrose field resulted in gas and heavy oil discoveries...

ment into stocks before the end of the month," one broker added...

investors are not buying stocks this week because of worries over the outcome of a minister-level meeting of the Organisation of Petroleum Exporting Countries (OPEC)...

Australia Markets showed a firmer tendency, with demand continuing to centre on Resources stocks, especially selected Coals, Uraniums and some Base Metal issues...

Amid concern over oil supplies, Coal and Allied advanced 20 cents to AS\$40. Utah 14 cents more to AS\$69...

Table with columns: Mar. 16, Mar. 15, Mar. 14, Mar. 13, Mar. 12, Mar. 11, Mar. 10, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, 1978-79, Since Compl'tn

Closing prices and market reports were not available for this edition...

than a two-to-one margin. Turnover increased to 23.40 million shares from Friday's 11.1 million...

Analysts said speculation about possible Administration moves to decentralise oil prices are providing fresh impetus for the Oils sector...

President Carter is meeting with top advisers at Camp David to review U.S. energy policy...

Public Authority Bonds were mostly unchanged, with the Bundesbank buying a modest DM 2.5 billion nominal of paper...

After an initial bout of selling by short-term holders of stock, the market opened on a note of recovery...

On the industrial Boards, there was activity in Kelvator following the bid from Email...

Table with columns: Mar. 16, Mar. 15, Mar. 14, Mar. 13, Mar. 12, Mar. 11, Mar. 10, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, Mar. 4, Mar. 3, Mar. 2, Mar. 1, 1978-79, Since Compl'tn

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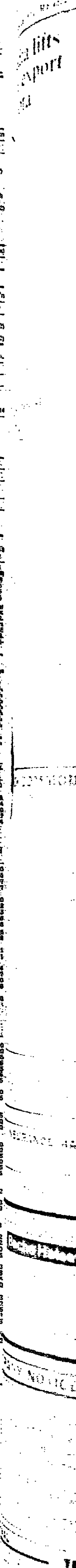
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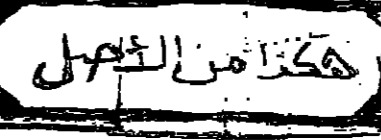
EUROPEAN OPTIONS EXCHANGE Table with columns: Series, Vol., April, May, June, July, Oct., Stock

BASE LENDING RATES Table with columns: Bank, Rate, %

Table with columns: Mar. 19, Price, +/-, Div. Yld., %

Table with columns: Mar. 19, Price, +/-, Div. Yld., %





COMMODITIES and AGRICULTURE

Companies and Markets

India lifts tea export quota

THE INDIAN Government has decided not to impose any export quota for tea in the annual year beginning April 1...

Radical changes for UK apple trade planned

BY CHRISTOPHER PARKES

A FIERCELY critical study of the British apple trade, which has been deeply undermined by Continental imports in the past few years, has spurred the National Farmers' Union to draft far-reaching plans for radical changes in production and marketing.

Home-Grown Fruits, the country's leading fruit trade co-operative...

"To find what I saw, sent by people who should have known better, was a great disappointment to me."

Stoppages boost copper

By John Edwards, Commodities Editor

CONTINUING STRIKES at Peruvian copper mines, and a stoppage by Zambian railway workers, brought a rise in copper prices on the London Metal Exchange yesterday.

World wheat crop may reach new record

BY OUR COMMODITIES STAFF

THE INTERNATIONAL Wheat Council yesterday raised its estimate of world wheat production in 1978 to a record 440m tonnes.

At the same time the Council has lifted projected carry-over stocks at the end of the 1978-79 season in the five main exporting areas from 50.3m to 55.3m tonnes.

buy foreign grain with imports needed to feed coastal urban centres, thus reducing internal procurement burdens, the CIA report said.

Sales boost for butter

Our Commodities Staff

BUTTER Information Council has launched an information campaign aimed at stimulating sales of butter in the UK.

UK shoppers spend more on meat

BY OUR COMMODITIES STAFF

MEAT TOOK a larger share of British household budgets last year than the first significant increase for five years according to the latest estimates by the eMat and Livestock Commission.

The Commission predicts that total supplies of meat this year will be about 2 per cent higher than in 1978 reaching the highest annual figure for many years.

The Commission notes there has been a steady increase in the world price for beef as a result of declining production.

Gundelach urges tapioca sales cut

BANGKOK—Mr. Finn Olav Gundelach, EEC vice-commissioner in charge of agriculture and fisheries, said Thailand should reduce tapioca product exports in the EEC during the current year as its exports last year were too high.

Food security scheme launched

BY RUPERT CORNWELL IN ROME

THE UN Food and Agriculture Organisation (FAO) yesterday launched a five-point plan to improve world food security in the wake of the collapse of negotiations in Geneva for a world wheat agreement.

Seeds export curb lifted

BY MARGARET VAN HATTEM IN BRUSSELS

A DECISION by the British Plant Variety Bureau to lift export curbs on special varieties of cereal seeds to enable British seed firms to export to France, where there is an acute shortage.

Seeds export curb lifted

The EEC Commission, which has been investigating the restrictions, yesterday announced that the PRB will lift curbs on sales to France and will, in future, inform the Commission when it withholds consent for exports, enabling the Commission to determine whether such curbs are justified.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal types (Copper, Zinc, Lead, Tin, Aluminium) and their prices in London and other markets.

WHEAT

Table showing wheat prices for various grades and origins, including UK and foreign supplies.

SUGAR

Table showing sugar prices, including London Daily Price and various grades.

PRICE CHANGES

Table showing price changes for various commodities over a period of time.

INSURANCE BASE RATES

Table showing insurance base rates for property growth and other categories.

CORAL INDEX: Close 510-515

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COMPANY NOTICE

B.A.S.F. TRANSATLANTICA

7 3/4% 1972-1987 Loan of FF. 100,000,000

is redemption on 1st May 1979, for which a sum of 4,000,000 is planned, has been completely repurchased the Stock Exchange.

Amount remaining in circulation after 1st May 1979: FF. 76,000,000.

Paying Agent BANQUE DE PARIS ET DEST PAYS-BAS POUR LE GRAND-DUCHÉ DE LUXEMBOURG

PERSONAL TRAVEL

REVENUE - send your tribute in the form of a cheque to HELF AG, Postfach 12, D-50672 Köln.

COFFEE

Table showing coffee prices for various grades and origins.

WOOL FUTURES

Table showing wool futures prices for various grades and origins.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types.

RUBBER

Table showing rubber prices for various grades and origins.

COCOA

Table showing cocoa prices for various grades and origins.

GRAINS

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GRAINS

Table showing grain prices for various types and origins.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades and origins.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

INDICES

Table showing various financial indices.

FINANCIAL TIMES

Table showing financial times indices.

MOODY'S

Table showing Moody's indices.

REUTERS

Table showing Reuters indices.

GRIMSBY FISH

GRIMSBY FISH - Supply good, demand good. Prices at ship's side (unpacked) per cwt: Sole 4.00-4.50, codlings 2.80-3.20, large haddock 4.00-4.50, medium 3.80-4.30, small 3.50-4.00, plaice 4.00-4.50, best small 4.00-4.50, large skinned codfish 4.00-4.50, large haddock 4.00-4.50, medium 3.80-4.30, small 3.50-4.00, sarthe 2.00-2.40.

TEA - 42.75 packages were offered at yesterday's London auction. There was good demand for tea, about 1,400 tons of African tea. Better quality high grown Ceylon teas with limited enquiry but medium and planter teas sold at about firm rates. Average price indicators: quality 132p (same); medium 11.5p (11.0p); planter 75p (same) per kilo.

Political and other doubts dampen market interest but only minimal losses occur in both Gilts and equities

Account Dealing Dates
Option
First Declara- Last Account
Dealings tions Dealings Day
Feb. 26 Mar. 22 Mar. 23 Apr. 3

Political uncertainties coupled with revived doubts about the Chancellor's intentions regarding Government spending cuts in the coming budget...

cent 1987 stock. Early trade was especially brisk in the investment currency market but sellers had the edge...

Brewery and kindred issues again traded quietly, but Matthew Clark made a reasonable two-way business in front of tomorrow's interim statement...

Press mention stimulated buying interest in Ward and Goldstone which closed 5 to the good at 123p...

Engineering leaders passed a rather quiet session and, apart from Tubes, up 5 at 402p, which encountered scattered buying interest...

Bourse End moved up 8 to 145p. Wood Mill Trust came to life with a rise of 5 to 105p...

After widespread weekend Press comment which, inter alia, suggested that institutional investors now take a bigger interest in the company's shares...

English Property eased a penny to 59p on news that the Dutch group Wereldhave had lapsed its offer...

Truists made a mixed showing Capital issues to make headway included New Transport, 3 up at 167p...

among Teas, Lawrie hardened 10 to 395p. Activity in the gold share market remained at minimal levels...

The lower premium prompted a general downturn in South African Financials with De Beers 10 cheaper at 440p...

FINANCIAL TIMES STOCK INDICES
Table with columns: Government Secs., Fixed Interest, Industrial, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Dealings, Equity turnover, Equity bargains total.

HIGHS AND LOWS
Table with columns: Stock, Denomina-tion, Closing price, Change, 1978-79 high, 1978-79 low.

ACTIVE STOCKS
Table with columns: Stock, Denomina-tion, Closing price, Change, 1978-79 high, 1978-79 low.

RISES AND FALLS YESTERDAY
Table with columns: British Funds, Foreign Bonds, Industrial, Financial & Prop, Other, Government, Total.

However, a slightly easier opening in Gilts followed a weekend Press generally unanimous that the authorities' unique funding of £800m of Exchequer 12 1/2 per cent 1999 stock by tender offered little immediate scope for a further major advance...

A few fence firmers at the outset, leading Building descriptions drifted easier on subsequent lack of interest elsewhere, weekend Press comment left Montague L Meyer with a gain of 3 at 100p...

Ultram active
While leading Properties displayed an easier tendency, certain secondary issues maintained recent interest. Regional issues were prominent with the Ordinary 8 up at 110p...

NEW HIGHS AND LOWS FOR 1978/9
Table with columns: NEW HIGHS (106), NEW LOWS (11), Stock, Price, Change.

Cheaper by rail for pensioners
BRITAIN'S pensioners travel by rail to three European countries at cut rates...

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

APPOINTMENTS
New management committee member for Distillers

Mr. Peter Whitley, a director of the Distillers Company, has been appointed a member of its management committee from April 1...

Mr. Gerard Paris has been appointed a director of BARCLAYS MERCHANT BANK. He will be in charge of the merchant bank's business in Birmingham and the West Midlands...

Smart will give up responsibility for the commercial directorate and will become industry and general affairs director. Mr. F. C. D. Black is to relinquish his position as director in charge of developing trade areas...

Mr. R. A. R. Wilkins will be leaving the partnership of E. B. SAVORY MILLIN AND CO., stockbrokers, on April 20.

Mr. Brian Chalk has been appointed managing director of the newly formed division of SAUDI INTERNATIONAL BANK (AL-BANK AL-SAUDI AL-ALAMI).

Mr. Clive F. Williams, managing director of Leslie and Godwin (UK), has been appointed chairman of LESLIE AND GODWIN (SCOTLAND).

Mr. R. J. C. Hamilton has been appointed manager of the Stock Exchange branch of LLOYDS BANK in succession to the late Mr. F. J. Quested.

Mr. Geoffrey Gould is joining the Board of BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE, Paris, on April 2 and will be managing director of the London branch.

Mr. Alan Wakin has been appointed managing director of MSC MICROCOMPUTERS (EUROPE), the newly formed UK subsidiary of Microcomputer Systems Corporation of California.

Lord O'Brien of Lothbury has been elected vice-chairman of the BANK FOR INTERNATIONAL SETTLEMENTS to succeed the late Monsieur Henri Dery.

Mr. R. D. Smart, commercial director of GLAXO HOLDINGS, is to become president of the NATIONAL PORTS COUNCIL for three years.

Mr. J. Stuart Spalding is to become vice-president and treasurer of BELL CANADA, with responsibility for both the finance and treasury departments from April 1.

Mr. J. S. McBride has resigned as director general of the BRICK DEVELOPMENT ASSOCIATION for personal health reasons.

Mr. R. D. Smart, commercial director of GLAXO HOLDINGS, is to become president of the NATIONAL PORTS COUNCIL for three years.

Mr. Alan Wakin has been appointed managing director of MSC MICROCOMPUTERS (EUROPE), the newly formed UK subsidiary of Microcomputer Systems Corporation of California.

Mr. David M. Oliver, president of ALGAN ALUMINIUM, of Montreal, is to succeed Mr. Nathaniel V. Davis as chief executive on July 1.

Mr. R. D. Smart, commercial director of GLAXO HOLDINGS, is to become president of the NATIONAL PORTS COUNCIL for three years.

Mr. Alan Wakin has been appointed managing director of MSC MICROCOMPUTERS (EUROPE), the newly formed UK subsidiary of Microcomputer Systems Corporation of California.

LONDON TRADED OPTIONS
Table with columns: Option, Price, Closing, Vol., Closing offer, Vol., Closing offer, Vol., Equity close.

RECENT ISSUES
Table with columns: Issue, Price, Return, Stock, Closing, High, Low, Dividend, Yield, etc.

RIGHTS OFFERS
Table with columns: Issue, Price, Return, Stock, Closing, High, Low, Dividend, Yield, etc.

FT-ACTUARIES SHARE INDICES
Table with columns: EQUITY GROUPS & SUB-SECTIONS, Mon., March 19, 1979, Fri., Mar. 16, Thurs., Mar. 15, Wed., Mar. 14, Tues., Mar. 13, Year ago (approx).

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (a), Abbey Unit Tr. Mgrs. (b), etc., with columns for name, manager, and other details.

Table listing various insurance and property bonds such as Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd. (a), Abbey Life Assurance Co. Ltd. (b), etc., with columns for name, manager, and other details.

Table listing various insurance and property bonds such as Crown Life Assurance, London Indemnity & Gen. Ins. Co. Ltd., Royal Insurance Group, etc., with columns for name, manager, and other details.

Table listing various insurance and property bonds such as Target Tr. Mgrs. (Scotland) (a), Target Tr. Mgrs. (Scotland) (b), Target Tr. Mgrs. (Scotland) (c), etc., with columns for name, manager, and other details.

Table listing various insurance and property bonds such as Transatlantic and Gen. Secs. Co., Transatlantic and Gen. Secs. Co. (a), Transatlantic and Gen. Secs. Co. (b), etc., with columns for name, manager, and other details.

Table listing various insurance and property bonds such as Alexander Fund, Alexander Fund (a), Alexander Fund (b), etc., with columns for name, manager, and other details.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas funds such as Alexander Fund, Alexander Fund (a), Alexander Fund (b), etc., with columns for name, manager, and other details.

NOTES: Prices do not include 5% premium, unless indicated, and are in pence unless otherwise indicated.

INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Titan, BHP, and various mining and manufacturing firms.

INSURANCE—Continued

Table of insurance companies such as E.A. & G. Insurance, Commercial Union, and others.

PROPERTY—Continued

Table of property-related companies including estate agents, real estate firms, and land management companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Land, Commercial Union, and various asset management funds.

FINANCE, LAND—Continued

Table of finance and land-related companies including banks, insurance, and property firms.

NOMURA The Nomura Securities Co., Ltd. International securities and investment banking. London EC2c Ys B1. Phone: 011 606 3411, 6253.

MINES—Continued

Table of mining stocks including Anglo-American, Anglo-Australian, and various metal mines.

AUSTRALIAN

Table of Australian stocks including BHP, Anglo-Australian, and other local companies.

TINS

Table of tin stocks including Anglo-Tin, Anglo-Tinners, and other tin mining companies.

COPPER

Table of copper stocks including Anglo-Copper, Anglo-Copiers, and other copper mining companies.

MISCELLANEOUS

Table of miscellaneous stocks including various small companies and financial instruments.

GOLDS EX-\$ PREMIUM

Table of gold stocks including Anglo-Gold, Anglo-Goldfields, and other gold mining companies.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

OVERSEAS TRADERS

Table of overseas trading companies including Anglo-Indo, Anglo-Indo-Burma, and other international traders.

RUBBERS AND SISALS

Table of rubber and sisal stocks including Anglo-Rubber, Anglo-Sisal, and other commodity companies.

TEAS

Table of tea stocks including Anglo-Tea, Anglo-Tea Co., and other tea trading companies.

INDIA AND BANGLADESH

Table of stocks from India and Bangladesh including Anglo-India, Anglo-Bangladesh, and others.

SRI LANKA

Table of Sri Lankan stocks including Anglo-Sri Lanka, Anglo-Sri Lanka Co., and others.

AFRICA

Table of African stocks including Anglo-Africa, Anglo-Africa Co., and other African companies.

MINES

Table of mining stocks from various regions including Anglo-Mines, Anglo-Mines Co., and others.

CENTRAL RAND

Table of Central Rand mining stocks including Anglo-Central Rand, Anglo-Central Rand Co., and others.

EASTERN RAND

Table of Eastern Rand mining stocks including Anglo-Eastern Rand, Anglo-Eastern Rand Co., and others.

FAR WEST RAND

Table of Far West Rand mining stocks including Anglo-Far West Rand, Anglo-Far West Rand Co., and others.

O.F.S.

Table of O.F.S. (Overseas Financial Services) stocks including Anglo-O.F.S., Anglo-O.F.S. Co., and others.

REGIONAL MARKETS

Table of regional market data including prices for various commodities and regional stocks.

OPTIONS

Table of options data including prices for various call and put options.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Anglo-Diamond, Anglo-Platinum, and others.

CENTRAL AFRICAN

Table of Central African stocks including Anglo-Central African, Anglo-Central African Co., and others.

FINANCE

Table of finance stocks including Anglo-Finance, Anglo-Finance Co., and other financial institutions.

SEE YOUR TAILOR FOR JEROME'S GLENTWIST SUITINGS Pure new wool As supplied by Harold Lloyd Gray MANCHESTER

British Shipbuilders' loss 'at least £47m'

BY LYNTON McLAIN

THE GOVERNMENT believes that British Shipbuilders, the state-owned corporation, will lose at least £47m in the current financial year—£2m more than the target set last year.

worth £58m. These vessels have a dual civil and military role and it is still unclear whether their order will be cancelled. The eventual total losses could also be increased by a new national pay deal earlier this month. The estimate of £47m for the full year to March 31 was made in January, before the corporation had reached agreement with the shipbuilding unions.

up to £90m, but British Shipbuilders would not say how much had been used so far to win orders. The financial target of a maximum loss of £45m for the current financial year was set by Mr. Eric Varley, Industry Secretary in the Commons last July. He said British Shipbuilders had to make progress towards providing an adequate return on capital. He had asked the corporation to conduct an "urgent study" of ways to cut the rate of loss. The target was set after consultations with British Shipbuilders.



Vice-President Hosni Mubarak of Egypt meets Mr. Callaghan at No. 10 Downing Street.

Israel agrees text of pact

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Cabinet yesterday approved the full text of the proposed peace agreement with Egypt, and today will ask the Knesset to ratify the treaty. The Cabinet vote was 15 in favour and two against. The Cabinet also held a very stormy discussion on the planned autonomy for the Palestinians living on the West Bank of the Gaza Strip. This debate was at the request of the National Religious Party, which has three Ministers in the Government.

Richard Johns writes: Israel was accused yesterday by a senior Egyptian official of trying to stop the participation of West Bank and Gaza Strip Palestinians in negotiations for autonomy provided for by the Camp David agreement. Dr. Osama al Baz, Under-Secretary of State for Foreign Affairs, said in an interview that Israel's interpretation of the peace agreement with Egypt, to be signed next week and its tougher policy on Jewish settlements were both designed to "discourage, even scare" the inhabitants of the occupied territories from entering into the peace process initiated by President Sadat.

Civil servants threaten to step up campaign

BY PHILIP BASSETT AND PAUL TAYLOR

CIVIL SERVICE union leaders will today warn Cabinet Ministers that the selective strike campaign will be stepped up unless the Government makes a firm pay offer to 600,000 white-collar civil servants.

suspension notices yesterday for refusing to do the work of staff on strike. When the suspensions take effect tomorrow, the unions expect staff throughout Scotland to strike against what they consider a lock-out. Staff in England will hold lunchtime meetings to consider joining the strike.

formerly the Association of Self-Employed People. Mr. Brigman delayed payment of a £4,000 PAYE bill until the collector arrived, and then offered a cheque for about £50, the difference between the PAYE bill and the VAT refund he was owed. He also wrote a covering letter explaining his reasons for setting the VAT refund against PAYE.

The leaders of all nine civil service unions will urge Lord Peart, Lord Privy Seal, and Mr. Roy Hattersley, Prices Secretary, to give details and a timetable of an offer based on the findings of a comparability study. The unions say the study shows that rises averaging 36 to 38 per cent are due.

He was initially given the customary seven days to pay the full amount. Last Friday, however, he received a letter from the local tax office. "In view of the unusual circumstances, I will accept your proposal for payment, but the concession must not be accepted as a precedent."

The tax office confirms that such an agreement was made, but argues that no precedent was created. Mr. David Calcutt, QC, has been appointed chairman of the Civil Service Arbitration Tribunal to succeed the Hon. Mr. Justice Mustill, who recently resigned after seven years to become a High Court judge.

Scargill to stand for union presidency

By Alan Pike, Labour Correspondent

MR. ARTHUR SCARGILL, the Yorkshire miners' leader, will be a candidate for the presidency of the National Union of Mineworkers when Mr. Joe Gormley retires. He made this clear at the Yorkshire miners' annual council meeting in Barnsley yesterday when he declined a nomination to run for the annually-elected post of national vice-president at this summer's NUM conference.

Mr. Scargill, the Yorkshire area president, said: "I explained to the meeting that I was not prepared to accept nomination because it is my intention to stand for the position of national president if I am nominated by the Yorkshire area."

Cyclical indicators fall points to continuing slow growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FURTHER SIGNS that the pace of economic activity has slackened and is likely to remain slow for most of the rest of this year are provided by official indicators published yesterday. The Central Statistical Office yesterday published its series of cyclical indicators which are intended to highlight turning points in the course of the economy.

Renault takes stake in Mack

BY TERRY DODSWORTH IN PARIS

RENAULT, the French State-owned motor company, is taking a 20 per cent stake in Mack, the second largest heavy truck producer in the U.S. The deal will ensure distribution of Renault's medium-range commercial vehicles throughout North America.

It comes only a few weeks after Renault signed a distribution and local assembly agreement with American Motors, the smallest U.S. car manufacturer. Although an outline agreement between the two commercial vehicles groups was reached last year, the final deal goes further than expected in giving Renault a direct stake in Mack and the right to nominate two directors to the Board.

Whitbread to cut investment programme

By David Churchill, Consumer Affairs Correspondent

WHITBREAD has decided to axe about £10m from its current investment programme of £20m because of the Price Commission's refusal to permit a large increase in beer prices as the company wanted. The decision to trim the investment programme was taken at last week's Board meeting and follows the company's disclosure that the freeze on its price rises represented a loss of £500,000 a week to the company.

Renault takes stake in Mack

BY TERRY DODSWORTH IN PARIS

entry into the medium-sized range without having to set aside funds of its own. With demand for diesel-engined vehicles growing this sector which covers vehicles of between nine and 15 tonnes—and the establishment of other European companies such as Mercedes, Volvo, UNIC and MAN in the U.S., Mack believes that it needs to expand quickly to hold off competition.

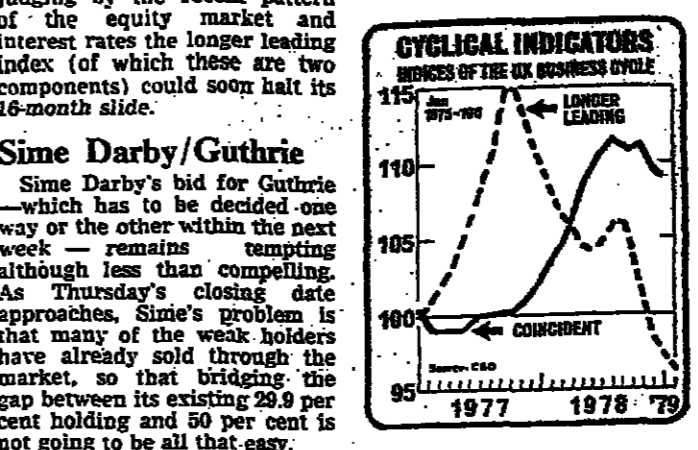
Healey threat

EMS. But he insisted that if it decided to join, it should be entitled to the interest rate subsidies offered to other less prosperous countries joining the system. The subsidies, totalling 1bn units of account (about \$270m) will be used on European investment bank loans. One-third of this money is intended for Ireland and the rest for Italy. Mr. Healey said that Britain would seek a substantial increase in the total if it joined the EMS. British authorities appear to have realised only belatedly that

THE LEX COLUMN

Countdown for Guthrie

Index fell 1.2 to 509.7



Now even the index of lagging cyclical indicators has begun to show a decline. Yet judging by the recent pattern of the equity market and interest rates the longer leading index (of which these are two components) could soon halt its 16-month slide. Sime Darby/Guthrie Sime Darby's bid for Guthrie—which has to be decided one way or the other within the next week—remains tempting although less than compelling.

Rockwell/Wilmot

The apparently interminable talks between Rockwell International and Wilmot Breeders seem to have run into snags. The two sides said that talks were under way back at the beginning of December, and on February 14, Rockwell said that it was aiming for an agreed bid. Yesterday, however, it came out with a unilateral statement to the effect that it would be prepared to make a cash offer of 85p per share—provided Wilmot can produce satisfactory details about its profits and prospects.

Weather

UK TODAY MOSTLY cloudy with wintry showers. Occasional sleet or snow in the north, but brighter later. Max. 5C (41F). London, S.E. Cent. S. England, E. Midlands, S.W. Cloudy. Wintry showers, heavy in places. Wales, W. Midlands, Cent. N. England, N.W. Occasional sleet or snow. Scottish Lowlands, Ulster, Isle of Man. Some sleet or snow, brighter later with wintry showers. The Rest of Scotland. Wintry showers. Sunny intervals. Outlook: Cold and windy everywhere. Bright intervals and wintry showers particularly in the north and east, where longer outbreaks of snow are likely.

Weather WORLDWIDE table with columns for location, Y/day, and M/day. Includes locations like Algiers, Amman, Athens, Bahrain, Barcelona, Beirut, Belgrade, Berlin, Bizanz, Birm., Blackpt., Bonn, Boulogne, Bristol, Bucharest, Budapest, Cagliari, Calcutta, Cebu, Cologne, Copenhagen, Curitiba, Dublin, Dhaka, Dhaka, Doha, Frankfurt, Geneva, Harbin, Helsinki, Havana, Ho Chi Minh, Islamabad, Jakarta, London, Lyons, Manila, Moscow, Mumbai, New Delhi, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Taipei, Tel Aviv, Toronto, Tunis, Valencia, Vienna, Warsaw, Zurich. Includes a map of Australia and text for Commonwealth Bank of Australia: 'The vital link'.

Wilmot accepted such terms. Admittedly 95p is nearly 50 per cent above the market price at the end of November, and represents a six-year peak for the shares. But Wilmot's profits seem to be recovering strongly from a downturn in 1978. One of its joint brokers, Capel-Cure Myers, recently forecast a rise from £2m to £7.5m pre-tax, and on that basis the fully taxed p/s at 85p would be under 6.

Wilmot has assets of perhaps 130p per share. It also has a successful business in France, which could produce trading profits of nearly £2m this year. Entry into the French motor component industry is not an easy matter for foreigners, and it could be argued that there should be an extra premium for control of such a company.

Rockwell's statement succeeded in knocking the speculative froth out of Wilmot's shares, which fell 11p to 91p. Barratt The bonanza continues at Barratt Development. Soaring house prices have left the rise in building costs far behind, and the widening of margins has helped push pre-tax profits to £2.8m in the first half of 1979, against £7.1m in the previous six months and £4.1m in the comparable period of 1977-1978.

At present the group is certainly seeking growth, which involves bidding for a good deal of land to keep its land-bank at three years' use—roughly 33,000 plots at present. To do this, 400 to enlarge its property portfolio, it has increased borrowings again, from under £20m to over £30m in the last half-year, against which retained profits and some new equity have boosted shareholders' funds to about £65m. As long as land values keep rising, Barratt can happily take in what amount to land profits on new building, whilst claiming stock relief on its appreciating unused land bank. The only problem is that before very long the music may stop, at least for a time.